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1937/38

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Indian Affairs
— Report —

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San Francisco, California
2006

S. Docs.
No. 1
[Reprinted from the Annual Report of the Secretary of the Interior, 1938]

OFFICE OF INDIAN AFFAIRS

John Collier, *Commissioner*

IN ALL our colorful American life there is no group around which there so steadfastly persists an aura compounded of glamour, suspicion and romance, as the Indian. For generations, the Indian has been, and is today, the center of an amazing series of wonderings, fears, legends, hopes.

Yet those who have worked with Indians know that they are neither the cruel, warlike, irreligious savages imagined by some, nor are they the "fortunate children of nature's bounty" described by tourists who see them for an hour at some glowing ceremonial. We find the Indians, in all the basic forces and forms of life, human beings like ourselves. The majority of them are very poor people living under severely simple conditions. We know them to be deeply religious. We know them to be possessed of all the powers, intelligence, and genius within the range of human endowment. Just as we yearn to live out our own lives in our own ways, so, too, do the Indians, in their ways.

For nearly 300 years white Americans, in our zeal to carve out a nation made to order, have dealt with the Indians on the erroneous, yet tragic, assumption that the Indians were a dying race—to be liquidated. We took away their best lands; broke treaties, promises; tossed them the most nearly worthless scraps of a continent that had once been wholly theirs. But we did not liquidate their spirit. The vital spark which kept them alive was hardy. So hardy, indeed, that we now face an astounding, heartening fact.

THE INDIANS ARE NO LONGER A DYING RACE

Actually, the Indians, on the evidence of Federal census rolls of the past 8 years, are increasing at almost twice the rate of the population as a whole.

With this fact before us, our whole attitude toward the Indians has necessarily undergone a profound change. Dead is the centuries-old notion that the sooner we eliminated this doomed race, preferably humanely, the better. No longer can we, with even the most generous intentions, pour millions of dollars and vast reservoirs of energy, sympathy, and effort into any unproductive attempts at some single,

Also since the passage of the Indian Reorganization Act, 392,487 acres of former Indian lands which had been opened to sale or entry have been restored to tribal ownership and reservation status of this amount 38,279 acres were restored during the fiscal year ending June 30, 1938.

From 1935 through the fiscal year 1938, 30 purchase projects have been conducted by the Commissioner of Indian Affairs in cooperation with the Governmental agencies now merged in the Farm Security Administration. Options in the amount of \$3,521,057, covering 1,207,916 acres in 11 States, have been accepted, and purchases have been completed to the extent of 94 percent. By Executive order, on January 18 and April 15, 1938, the President transferred jurisdiction over approximately 791,405 acres of these lands from the Department of Agriculture to the Department of the Interior. Another Executive order is pending, transferring an additional 132,329 acres. Administrative jurisdiction over the remaining 285,222 acres will be retained by the Department of Agriculture, subject to further study concerning the proper utilization of the land.

CONSOLIDATION AND SPECIAL PURCHASE PROJECTS

Consolidation of Indian lands is an important corollary of land acquisition. Negotiations are under way in South Dakota to exchange scattered Indian tracts for State and county lands, so that the holdings of the Indians' of the State and of the counties may be blocked into usable units. On the Cheyenne River Reservation, the exchange program involves approximately 133,000 acres of tribal allotted lands; on the Pine Ridge Reservation approximately 14,150 acres of tribal lands; and on the Standing Rock Reservation approximately 24,770 acres of tribal land. In working out these exchanges, the South Dakota authorities have been most cooperative.

In Florida, an exchange of 3,170.13 acres of scattered Seminole Reservation lands for other lands better suited to Indian purposes is nearing completion. The former State Seminole Reservation, comprising 99,000 acres in Monroe County, Fla., has been abolished by the State, and in its stead a new State reservation of 104,800 acres has been established in Broward County, adjoining Federal reservation lands in Hendry County.

The purchase of lands under the Arizona Navajo Boundary Extension Act of June 14, 1934 (48 Stat. 960), was continued with the purchase of 10,486.98 acres at a cost of \$17,159.45, bringing the total purchases under this act to 334,390.97 acres.

One hundred and twenty-nine acres of land were purchased for the Capitan Grande Indians of the Barona Ranch, Calif., at a cost of \$2,100.

Continued progress has been made in the purchase of land within the various pueblos in New Mexico with funds awarded pursuant to the Pueblo Lands Board Act, as amended. Purchases of 3,495.44 acres were completed involving an expenditure of \$57,534.36.

The act of May 31, 1938 (Public, No. 569, 75th Cong.), authorizes the Secretary of the Interior to withdraw and reserve permanently small tracts of not to exceed 640 acres each of the Alaskan public domain for schools, hospitals, and other purposes necessary to aid the Indians, Eskimos, and Aleuts of Alaska. This authority is proving of material assistance in the development of the Alaska program.

THE INDIANS DO THEIR PART

The Indians themselves are beginning to realize the folly of parting with their land holdings. Only four patents in fee were issued during the year to Indians, to relieve conditions of distress or because the land was needed for public or private projects.

A number of Indians have deeded their surplus or inherited lands or portions of them to the United States in trust for other Indians; usually for relatives who were landless or whose own lands were not suitable as home sites. Two Indians have deeded lands to the United States in trust for the tribe to which they belong. This, it is hoped, may be the beginning of a voluntary partial solution of the allotment situation.

A number of allotments have been exchanged between Indians in order better to consolidate their holdings or to acquire agricultural and grazing lands. Especially has this type of exchange been carried out on the Blackfeet Reservation in Montana, where many Indians have wished to acquire more and better farming lands, while others preferred to depend on larger grazing revenues.

Permits and leases for business purposes have increased somewhat since sales and patents in fee have been limited. On those reservations under the Indian Reorganization Act such permits and leases on tribal lands are now usually made by the tribal council.

COURT CASES AND TAX TROUBLES

During the fiscal year, 389.22 acres of land were restored to their original trust status through cancelation of five patents in fee issued to Indian allottees during the trust period without their application or consent. Cases involving approximately 75 allotments are pending in the Department of Justice, the majority of them cases in which it is sought to recover taxes illegally collected.

These cases do not include lands of the Five Civilized Tribes in Oklahoma, where suits have been instituted to remove clouds from the title and to recover possession of allotted or purchased lands for Indians.

As the result of the appropriation of \$25,000 made in pursuance of the provisions of the act of June 20, 1936 (49 Stat. 1542), needed relief has been given a number of Indians by the payment of past due taxes on properties purchased with trust funds and held under restricted deeds; the buyers having believed at the time of purchase that the property would be nontaxable.

A revision of the regulations to govern the sale of Indian lands, the issuance of patents in fee, and the purchase of lands with trust funds, including the Five Civilized Tribes in Oklahoma, was approved in the Department on May 31 of this year.

NAVAJO LEASES—NAVAJO BOUNDARY BILL

During the year an aggregate of 499,522.75 acres of white-owned land was leased for the benefit of Navajo Indians at an annual rental of \$16,273.96. The lands were leased pending acquisition, by purchase or exchange, of lands in Arizona under the provisions of the act of June 14, 1934 (48 Stat. 960), and the enactment of similar legislation applicable to New Mexico. The Arizona exchanges under the 1934 act are receiving attention at the present time, and it is hoped that they may be completed without much more delay. Legislation to extend the Navajo boundary in New Mexico will again be presented to Congress at its next session.

EXTENSION OF TRUST PERIOD

Trust periods were extended automatically by authority of the Indian Reorganization Act for all tribes which accepted that act. As a protection to those tribes which did not accept the act, the period of trust on lands which otherwise would have expired during the calendar year 1938 was extended by President Roosevelt on September 29, 1937, for a further period of 25 years.

EASTERN CHEROKEE CASES

On June 6, 1938, the contention of the United States on behalf of the Eastern Band of Cherokee Indians in North Carolina, regarding title to certain lands claimed for the Indians, was sustained by the United States Circuit Court of Appeals for the Fourth Circuit. Although the amount and value of land involved in the particular case was not large, the questions decided were important, since title to some 2,000 acres of land claimed for these Indians may depend on the determination of similar issues. A total of approximately 50 cases involving title to Cherokee Indian lands have been submitted to the Department of Justice, where they are under active consideration.

INDIAN TRIBAL CLAIMS

Final judgments in favor of the Klamath Tribe of Oregon and the Shoshone Tribe of the Wind River Reservation, Wyo., in the amount of \$5,313,347.32 and \$4,408,444.23 respectively, were rendered by the Court of Claims. Funds in satisfaction of these judgments were appropriated by the Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938 (Public No. 723, 75th Cong., 3d sess.).

The decisions in favor of these tribes in June, 1937, were appealed by counsel for the United States to the Supreme Court, where the decisions of the Court of Claims were affirmed.

In affirming the decisions of the Court of Claims in these two cases, the Supreme Court rendered decisions of great importance to the Indians. These two cases settled the question as to the scope of the title of an Indian tribe to the reservation set apart for it by treaty. In the Shoshone case, the Supreme Court held that the tribe's right of occupancy was as sacred and as securely safeguarded as in fee-simple absolute title, notwithstanding the fact that the United States retained the fee. Following this theory, it was held that the tribe's right of occupancy in perpetuity included ownership of the land, mineral deposits, and standing timber on the reservation, and an award was made accordingly. Interest on the sums found to be due at the time the reservation lands were taken was awarded both tribes as a part of just compensation for a taking of property by the United States in the exercise of its power of eminent domain.

Approximately 65 cases are now pending in the United States Court of Claims involving Indian tribal claims. Reports were made during the year to the Department of Justice and to the Court of Claims on seven cases. The court dismissed five cases with decisions adverse to the Indian tribes.

LEGISLATION

Reports were prepared and sent to the committees of Congress on some 300 bills relating to Indian affairs. Notable among the acts passed by the third session of the 75th Congress are the act of April 8, 1938 (Public, No. 474), amending the Menominee Jurisdictional Act of September 3, 1935 (49 Stat. L. 1085), to permit the filing of separate suits in the Court of Claims; the act of June 15, 1938 (Public, No. 632), to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the organized Minnesota Chippewa Tribe; the act of June 28, 1938 (Public, No. 754), conferring jurisdiction upon the Court of Claims to hear, adjudicate, and render judgment on the claims of the Ute Indians against the United States; and the act of June 28, 1938 (Public, No. 755), authorizing the Red Lake Band of Chippewa Indians to file suit in the Court of Claims.

IMPROVEMENT OF LAND RECORDS

During more than a century, approximately 15,000 maps, graphs, tracings, and similar records relating to Indian lands have accumulated in the Indian Office. The methods used for filing these records have not been adequate for their proper preservation. In April, 1938, a project was inaugurated for the repair, preservation, recording, indexing, and filing of these maps. The work of repairing and preserving the maps is being done under the direct supervision of the Division of Repair and Preservation of The National Archives.

It has not been possible heretofore to index adequately the records of deeds and similar documents relating to the status of Indian lands. As part of a Works Progress Administration project a comprehensive index of approximately 25,000 deeds is being prepared. Other records of the Records Section are also being carefully indexed.

PROBATE WORK

Due to legislation affecting Indians, the adoption of constitutions, bylaws, law and order regulations, and the establishment of tribal courts, the probate work of the Indian Office has grown greatly and its problems have multiplied.

The past year saw a considerable increase in probate output both in number of estates and value. Even so, a large number of estates still await action.

Indian Probate Work

Probate cases handled outside the Five Tribes and Osage Nation, 1937-38.....	1, 793
Wills considered for form and approved.....	431
Wills considered for form and rejected.....	85
Appraised value of estates probated.....	\$3, 357, 314. 80
Fees charged against estates.....	\$46, 675. 00
Average value of estates.....	\$1, 872. 45
Average fee for probate.....	\$26. 03

A conflict in the regulations covering allowance of claims against living Indians, and the allowance of creditors' claims against their estates, after they are dead, is now being studied with the purpose of making these regulations uniform. This situation has, in the past, caused considerable confusion, as it has been the practice to allow claims against an estate that have been denied against the living Indian.

Probate Work—Five Civilized Tribes

Total number of cases submitted.....	423
No intervention.....	250
Probate attorney appeared.....	83
Transferred to Department of Justice for intervention.....	37
Tax and attorney fees.....	53
Number of cases pending:	
Civil.....	171
Probate.....	2, 231
Number of court appearances.....	1, 698
Number of deed and lease approvals.....	354
Amount involved in court appearances.....	\$3, 829, 670. 97
Amount saved Indians.....	\$255, 289. 55

The work of the Five Civilized Tribes, passing through the Indian Office, is separately reported to the Department by the supervising probate attorney.

Work has continued in connection with Federal estate taxes in the Five Civilized Tribes. Practically all such cases have been concluded so far as adjustment with the Treasury Department is concerned, and court proceedings are now contemplated and in preparation on such matters as were impossible of settlement.

From Osage, Okla., 102 cases have been handled. Many of these are will contests involving large amounts of money. Some have required months of study, conferences with attorneys and other bureaus of the Department, and extensive correspondence.

CONSERVATION OF INDIAN RANGE AND FOREST LANDS

Of the lands remaining to the Indians, some 46,000,000 acres are in forest and range. As guide and supervisor in the field of forest and range management, the Indian Office, has, therefore, responsibility over a territory larger than the entire State of North Dakota.

The income from timber sales and the money value of timber used on the reservations, the income from grazing leases and permits, and the money value of free grass consumed by Indian livestock, constitute together one of the Indians' major sources of revenue.

Indian Forest Resources

Area:	
Timberland.....	acres..... 6, 000, 000
Woodland.....	do..... 8, 000, 000
Total forest area.....	do..... 14, 000, 000
Timber:	
Volume.....	ft. b. m. 33, 000, 000, 000
Value.....	\$90, 000, 000
Timber production and sales, 1938:	
Total volume cut.....	ft. b. m. 426, 210, 000
Gross income from timber.....	\$1, 175, 620

Conservation, for the benefit not only of the Indian, but of the whole Nation, is, of course, the controlling policy in the administration of Indian grazing and forest lands. In no other field, through no other Federal bureau, does the Government enjoy such an opportunity to prove what can be accomplished in the way of conservation and proper land use as it does in the supervision by the Indian Service of the Indian domain. The Indian Service, through its position as guardian over Indian lands, can apply a concentrated technical knowledge and action directly to the problem.

Inevitably, of course, certain of the rules and regulations requisite to proper conservation and land use run counter to individual Indian interests. The Indian owner of a well-watered allotment may resent the order of the agency superintendent which prohibits him from leasing his land for the higher rental paid for agricultural land and requires him to reserve it as the key tract of a range unit and to take the lower payment per acre for grazing lands. Indian livestock owners fortunate enough to possess more than an average number of cattle and sheep are sometimes annoyed when told that, for the sake of their neighbors and for the preservation of the range, they must curtail their holdings. But the Indian country over, such instances of complaint and objection are comparatively few. The Indian tradition of common action for the common good is reborn, once the problem and the goal are understood. The Indian probably surpasses his white brother when it comes to accepting individual restraints in order that the community may prosper.

RANGE MANAGEMENT

The objectives sought in the management of Indian range resources, as stated in the General Grazing Regulations, may be concisely put as follows:

1. The preservation through proper grazing practice of the forest, the forage, the land, and the water resources on Indian reservations, and the building up of these resources where they have deteriorated.
2. The utilization of these resources for the purpose of giving the Indians an opportunity to earn a living through the grazing of their own livestock.
3. The granting of grazing privileges on surplus range lands not needed by the Indians in a manner which will yield the highest return consistent with undiminished future use.
4. The protection of the interests of the Indians from the encroachment of unduly aggressive and antisocial individuals.

Indian Range Lands

Total acreage-----	acres-----	40, 000, 000
Great Plains: North and South Dakota, Montana, Wyoming-----	acres-----	13, 000, 000
Intermountain: Idaho, eastern Washington, and Oregon do----		4, 000, 000

Indian Range Lands—Continued

Southwest: Utah, Colorado, Arizona, Nevada, New Mexico.....	acres.....	\$23, 000, 000
Open range.....	do.....	32, 000, 000
Woodland, grazed.....	do.....	8, 000, 000

Grazing Income and Livestock, Fiscal Year 1938

Income of Indians from grazing:	
Total income from grazing.....	\$1, 420, 767
From lands grazed under paid permits or leases.....	693, 197
Cash value of free grazing by Indians.....	727, 570
Average income per acre.....	cents..... 3½

Number of Livestock Grazed on Indian Land

	Under permit or lease	Free, by Indians	Total
Cattle.....	152, 873	158, 274	311, 147
Sheep.....	603, 860	680, 126	1, 283, 986
Horses.....	2, 562	98, 084	100, 646

During the fiscal year ended June 30, 1938, the Indians enjoyed a gross income from their range lands of more than \$1,400,000; somewhat less than one-half of this amount coming in in cash payments paid by Indians and non-Indians for grazing privileges, and something more than one-half being made up by the money value of the grazing privileges enjoyed free of charge by Indian livestock operators.

TIMBER FOR TODAY—AND TOMORROW

In the management of the Indians' forest resources, as in the management of the range lands, conservation is the watchword. Wherever practicable, the cutting of timber is conducted strictly according to sustained yield practices. That is, the depletion of the timber supply is geared down to the rate of reproduction so that the Indians may enjoy their forest resources in perpetuity. In certain cases, unfortunately, sustained yield practices cannot be followed. Overripe timber or trees damaged by fire or insects must be cut. The demands of Indians owning timbered allotments cannot always be rejected, and the timber must be turned into the cash which the owners insist upon having. The goal, however, remains a sustained yield policy extended over all Indian forest lands.

Of an estimated 33,000,000,000 feet of timber on Indian lands, approximately 426,000,000 feet were cut during the fiscal year 1938, bringing to the Indians a gross income of approximately \$1,175,000. During the year, new contracts were completed covering the sale and future cutting of 270,290,000 feet of timber on seven units located on four reservations.

During the fiscal year, range investigations and timber surveys initiated during 1937 were continued and completed. The policy of selective logging on Indian lands was standardized and strengthened through the formulation of standard marking regulations which promise a more effective balancing of age classes. In cooperation with the Civilian Conservation Corps—Indian Division, pine beetle control work has been continued on the Klamath, Warm Springs, and Yakima Reservations. Favorable weather conditions made this work particularly effective, especially on the latter two reservations. A serious pine beetle epidemic still exists at Klamath. The current timber sale policy, however, is resulting in the salvaging of a substantial volume of mature timber annually, and the elimination of trees susceptible to beetle attack.

SAWMILL OPERATIONS

Fourteen Indian sawmills were operated during the year. These sawmills gave employment and training to a large number of Indians. Much of the lumber produced was used in building homes and other improvements. The two largest units, the Menominee Indians Mills in Wisconsin and the Red Lake Indian Mills in Minnesota, are operated on a commercial basis for the benefit of the Indians, under specific authority from Congress. During the year, the Menominee Indian Mills manufactured 18,001,076 feet of lumber and shipped 14,898,571 feet. In addition, a large quantity of byproducts was sold. Over 6,000,000 feet of hemlock which had been killed by the hemlock borer was also salvaged and sold to pulp and paper companies. The lumber manufactured at the Red Lake Indian Mills during the year amounted to 7,151,490 feet and 4,136,013 feet was sold and delivered.

On May 6, 1938, the Interstate Commerce Commission, after hearings, authorized the abandonment of the Minneapolis, Red Lake and Manitoba Railroad. The loss of this railroad will seriously handicap the operations of the Red Lake Indian sawmill and the Red Lake Indian fisheries.

FIGHTING FOREST FIRES

Forest-fire control on Indian lands was effectively reorganized during the fiscal year under revised regulations embodied in the Hand Book of Fire Control for the Indian Service, which was approved May 22, 1937. The organization of fire-control work by regions and the delegation of increased authority to the regional foresters not only provides closer supervision over the fire-control organizations on the various reservations but furnishes the reservation personnel with technical assistance and direction during periods of high fire hazard. The efficiency of fire-control work has been materially increased through projects undertaken by the Civilian Conservation Corps—Indian Division. Many truck trails, lookout towers, and telephone

lines have been constructed. The communication system has been greatly strengthened through the intensive use of semiportable and portable short-wave radio sets.

Forest Fire Record, 1938

Number of forest fires.....	1, 085
Area burned over.....acres..	10, 950
Amount of damage.....	\$19, 659
Cost of suppression.....	\$47, 137
Average burn.....acres..	10
Damage per fire.....	\$18. 19
Cost of suppression per fire.....	\$43. 44

A QUESTION CONCERNING ADMINISTRATIVE COST

An analysis of the business aspect of forest and range management on Indian reservations shows an administrative cost that is extraordinarily low. The question is, however, raised as to whether this low administrative cost, which necessarily means a smaller, less effective administrative organization, is truly economical. The ratio of 1938's administrative cost of \$412,000 to 1938's gross revenues of \$2,596,387 from forestry and grazing is only 15.8 percent, and the administrative cost spread over the 46,000,000 acres under management reflects a cost per acre of less than nine-tenths of a cent. Such conservative administrative cost becomes overconservative when the question is regarded from the standpoint of the \$100,000,000 in property values involved and the danger of sustaining serious losses by reason of the failure to provide sufficient funds for adequate supervision and protection.

Judged by standards obtaining in other services of a similar nature, appropriations averaging less than nine-tenths of a cent per acre for all administrative purposes, including protection, are inadequate, and the ratio of cost to income of less than 16 percent is unreasonably low. For example, the Canadian Government for the administration of Crown forests authorizes the expenditure of 25 percent of the gross income. The act of August 28, 1937 (50 Stat. 874), provides 25 percent of the gross income for the administration of the "Revested Oregon & California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands of the State of Oregon." The conservation of Indian forest and range resources justifies the expenditure of a larger amount of money than has heretofore been provided.

IRRIGATION'S PART IN INDIAN LIFE

With most of the Indian reservations in the arid or semi-arid region, irrigation is vital to Indian life. Certain southwest tribes have been appropriators of water from times of remote antiquity and were working extensive irrigated farms when found by the Spaniards during the middle of the sixteenth century. The Indian Service not only

greatly extended and improved these old irrigation systems, but has built new projects on practically every reservation throughout the western arid territory. These irrigated areas range from small subsistence gardens of a few acres to highly developed reclamation projects of 100,000 acres or more. Not all of the larger projects are confined to Indian-owned lands. Privately-owned areas contiguous to the reservations have been included in order to round out the projects.

The earliest irrigation construction work for the Indians was done by the Reclamation Service in 1902, and taken over by the Indian Service in 1909.

RECENT DROUGHT EXPANDS IRRIGATION ACTIVITIES

The severe and widespread drought of the past 5 or 6 years has not only accentuated the need of larger irrigation facilities in arid Western States, but also has created many demands for irrigation works in the Great Plains area, including principally the Dakotas, eastern Montana, and Minnesota. As a consequence of this demand, Indian Service irrigation activities have been extended to these areas and a number of subsistence gardens have been constructed and other water supply developments, principally for stock and domestic use, have been completed. The orderly expansion of Indian irrigation is essential to afford means and opportunities for self-support, as well as to preserve Indian water rights, which are increasingly being jeopardized as development of the country takes place.

SUBSISTENCE GARDENS PROVE SUCCESS

The community subsistence garden program which was started in 1935 with funds provided by the Public Works Administration and continued during subsequent years with funds regularly appropriated has proved highly successful. Further construction of these gardens during the past year has increased the number to 98. The C. C. C.—Indian Division has participated in practically all subsistence garden construction work. Crop returns from these developments during the calendar year of 1937 amounted to \$61,600. This represents a gross return of 32 percent on a total construction investment of \$191,284. More than 1,600 Indian families and three large Indian schools derive a large part of their subsistence requirements from these gardens.

IRRIGATED ACREAGE INCREASES

Indian irrigation reports show that there are approximately 1,200,000 acres of irrigable land within the present Indian irrigation projects, of which area 800,000 acres are under constructed works, and full irrigation facilities have been provided for approximately 550,000 acres. The area irrigated by Indians shows an increase of 17,000

acres over the previous year and an increase of 1,600 families devoting attention to farming operations. A tabulation showing comparative statistics on Indian Service irrigation projects for the past 4 calendar years follows:

Year	Acreage irrigated			
	By Indians	Indian land leased	White owned land	Total
1934.....	140, 788	108, 435	198, 088	447, 311
1935.....	147, 264	117, 178	197, 695	462, 437
1936.....	150, 940	130, 353	206, 702	487, 995
1937.....	168, 360	134, 689	220, 126	523, 175

Construction costs to date have amounted to approximately \$54,000,000 with an estimated additional amount to complete all projects of \$46,000,000. These amounts, with an estimated further sum of \$5,000,000 with which to assist in the subjugation of Indian lands, make a total average cost of less than \$100 per acre.

CONSTRUCTION PROGRAM

The construction and water development program was maintained at approximately the same level as during recent years. Work of considerable magnitude was done on 6 of the larger projects and continued construction of smaller works was carried on on 14 reservations. Additional subsistence gardens were constructed in Oklahoma, New Mexico, Arizona, Nevada, California, and North, and South Dakota. Water supply development for both stock and domestic use was continued in the Navajo, Hopi, Pueblo, and Papago areas in New Mexico and Arizona.

Appropriated and other funds available for construction, operation, and maintenance during the fiscal year amounted to \$4,121,995. Of this sum \$1,579,498 was appropriated for regular maintenance and operation and an amount of \$185,000 was left over from Public Works allotments. All construction appropriations were made reimbursable by the land benefited, although under the Leavitt Act of July 1, 1932 (47 Stat., 564), these charges are not collectible so long as the lands remain in Indian ownership. Annual operation and maintenance charges are collected from all white users and from all Indians financially able to make payments.

MAJOR PROJECTS

Of the major projects now being undertaken, that on the Colorado River Reservation in Arizona is the largest. This work contemplates the construction of an irrigation system to supply water from the Colorado River to 110,000 acres. Irrigation works will include a large

diversion dam across the river, together with appurtenances and a complete canal system. Plans and specifications were completed during the year and a contract for construction was awarded on June 28. Work on the other large projects consisted of the completion of the storage dam on the Owyhee River, Western Shoshone Reservation, Nev.; the completion of a storage reservoir and the commencement of a large pumping plant on the Flathead project, Montana; continuation of work on the Fort Peck, Mont., pumping plant; and preliminary work on the construction of a large storage dam on the Crow Reservation, Mont. Miscellaneous, but extensive, construction activities were continued on the Navajo and Pueblo Reservations in Arizona and New Mexico.

PARTICIPATION IN CONSTRUCTION COSTS WITH OTHER AGENCIES

With the purpose of obtaining additional water supplies for several Indian projects, the Indian Service is sharing in the cost of construction of four large storage dams. Three of these are being constructed by the Reclamation Service and will supply additional water as in the case of the Southern Ute Reservation in Utah, under the Pine River Dam; the Salt River Reservation under the Bartlett Dam in Arizona, and the Fort Belknap Reservation in Montana, under the Milk River Dam. A contract is being negotiated with the Montana State Water Conservation Board and the Tongue River Water Users Association to participate in the construction cost and receive storage right benefits from a storage dam now being constructed on the Tongue River in Montana. This will supply additional water for the Tongue River Reservation.

ECONOMIC SURVEY AND MISCELLANEOUS INVESTIGATIONS

An economic survey to investigate and adjust irrigation charges pursuant to an act of Congress has been in progress during the fiscal year. This investigation will cover all features affecting the economic status of irrigation projects so that definite recommendations can be made to Congress. The field work on this activity has been confined during the year to the Uintah Reservation in Utah and to the Fort Hall Agency in Idaho. Surveys and investigations have also been made looking to the protection of water rights on a number of reservations and projects including especially New Mexico Pueblos and Indian-owned land in Oklahoma. Investigations and studies were made on prospective irrigation projects and developments in Montana, Oklahoma and the Dakotas. A number of these investigations are being made in cooperation with other agencies both Federal and State.

MAKING A LIVING

When a white extension worker deals with white rural groups he can often get cooperation for a good program within 2 or 3 weeks. He is speaking to people who have his own ambitions and whose fundamental reactions to life, often, are his own. When he tries to make effective an equal plan for Indian people, it is another story.

Nearly 300 years of deeply rooted distrust, and an attitude toward life which does not regard the piling up of material means as a first consideration, or of bulwarks against the future as of major significance, make the extension worker's Indian task much more complicated. What he can do with a white group in 2 weeks may, for these reasons, take him a year, or even more, with an Indian group.

John Eagle Eyes, as he listens to an Indian Service worker talk of the profits of a certain type of agriculture or grazing, does not easily forget that his own grandfather gave 20 years of his life toward building up a farm only to be driven from that land by an Executive order. Centuries of a hunting life are in John Eagle Eyes' blood and being, influencing him always. His whole countryside and all its hunting and fishing once belonged to him and his people. These are now gone. A succession of new ways of living which were laid out for him never equalled what he once had, in his opinion; for him no incentives that he considered essential urged him to adopt our ways.

An increasingly important part of the Indian Service task, thus, is to work out with the Indian (who is predominantly rural and non-industrialized) his own plans, and to help him clearly see what he is really going after. What does he want in terms of his own Indian life? What are the best methods, for him, of effectively adapting himself to white man's civilization?

In 1938 this Office has 311 men and women trained and experienced in essential rural activities living in every corner of the Indian country. Their lives are devoted to helping the Indians help themselves, by example, leadership, and actual shoulder-to-shoulder working with them. These workers have various official capacities, but they do not limit themselves to the formal label of their jobs. They "pitch into" every phase of Indian life and make themselves useful in everything, literally, which helps the Indian more effectively to make his living.

It is worth mentioning, in passing, that Indian Service workers generally, whether they be administrators, teachers, doctors, or technical experts, have always found it necessary to step frequently outside their own specialties to lend a hand to some urgent human problem needing the aid of the nearest capable person.

Within the last few years, a whole new world of credit and finance has been opened to Indian people. Reimbursable loans are made possible to all Indians living under the Indian Reorganization Act. The decision as to whether an individual Indian or a group will be given

a chance to borrow money rests with the workers in the field. These loans must be discussed carefully with each individual or group, for the loan goes far beyond a mere financial transaction.

Our experience shows repeatedly that the social and economic pattern of Indian lives often depends upon the intelligent use of borrowed money and the obligation upon the Indian to repay it. With the use of credit now a reality to an increasing number of Indians, cooperative leadership on our part is increasingly superseding the old-time dominations and those who urgently tried to sell a white man's idea for a nonwhite environment. Cooperative work in the Indian Service is essential now, toward effective help for the Indian in terms that mean something to him.

When we translate these various social forces into measurable reality, the following facts of last fiscal year's activity show some concrete and hopeful results. This is particularly true if the objective data here given is viewed in terms of what has just been said.

Livestock			
Cattle:	1936	1937	
Number of Indians owning cattle.....	21, 635	21, 287	
Number of head of live animals sold.....	48, 133	69, 388	
Pounds of dressed meat sold.....	616, 088	704, 639	
Total income from cattle.....	\$1, 251, 371	\$2, 190, 620	
Sheep and goats:			
Number of sheep units.....	942, 177	960, 725	
Receipts from wool and mohair.....	\$614, 516	\$792, 556	
Total income from sheep and goats.....	\$1, 142, 118	\$1, 519, 251	
Other livestock:			
Number of horses, mules, burros sold.....		5, 311	
Number of Indians owning horses, mules, and burros.....		28, 610	
Number of horses, mules, burros owned.....		134, 905	
Poultry:			
Number of birds owned by Indians.....		362, 732	
Number of Indians owning poultry.....		15, 176	
Cooperative livestock associations:			
Number of associations.....	119	124	
Total membership.....	4, 476	5, 047	
Number of cattle owned.....	123, 061	127, 275	

INDIANS GRADUALLY RETURNING TO FARM ECONOMY

It has been encouraging to see a slow steady increase of Indians returning to their farms. The following facts show the trend:

	1936	1937
Number of acres cultivated.....	514, 529	544, 893
Acreage planted to cereal crops.....	244, 135	245, 330
Yields in bushels from cereal crops.....	2, 091, 360	3, 681, 731
Yields in tons from forage crops.....	198, 074	278, 841
Acreage planted in cotton.....	16, 682	17, 508
Yield in bales from cotton crops.....	3, 470	6, 026
Acreage planted in sugar beets.....	191	265
Yield in tons from sugar beets.....	2, 077	4, 077

INDIAN BOYS AND GIRLS AT WORK

The following table gives the facts relative to 4-H Club work:

	1936	1937
Total project enrollment.....	5, 758	6, 853
Total projects completed.....	4, 222	4, 936
Number of different members enrolled.....	3, 881	5, 156
Number of different members completing projects.....	2, 740	3, 512
Percentage of completions.....	73. 3	72. 17
Number of clubs.....	328	387

MODERN PRACTICES IN INDIAN HOMES

A growing number of the most intelligent women workers we can find are going into the Indian homes and working with Indian women. These workers are invariably trained in home economics and, much more important, they are trained in those things essential to happy, well conducted homes. If it is not easy for the average white wife, who is probably a high school graduate and who has lived in the very midst of white civilization, to run a home efficiently without some training, it is certainly no easier for Indian women.

During the year 1937 there was a total of 10,871 meetings held by Indian Service home economics workers with Indian women, on canning, drying, clothing, home improvement, nutrition, child care and recreation. Objective progress over the previous year is shown in the following figures:

	1936	1937
Number of quarts of fruits, vegetables, and meats canned.....	765, 051	1, 898, 579
Number of pieces of clothing made under auspices of home extension groups.....	142, 710	182, 415

SUMMARY

Helping the Indian help himself, therefore, has become the aim of all Indian Service work. It is pleasant to talk of spiritual development, moral awakening, and educational growth, but unless the Indian has enough to eat and enough to take care of the normal, decent clothing and shelter needs of himself and his family, he has little heart or spirit, or even strength, to give to other things. There is no more significant and essential task confronting the Indian Service than helping the Indian get on his own feet. After this, other things follow as they already are following.

**CONSERVATION WORK REBUILDS INDIAN LANDS;
GIVES WORK RELIEF**

Conservation work on Indian lands, as carried out by the Civilian Conservation Corps—Indian Division, is entering its fifth year. C. C. C.—I. D. work, during the recent years of drought and depression, has been almost the backbone of life itself. More than a source

of relief, however, the program has brought far-reaching improvements to Indian forests, ranges, and farm lands. The cumulative effect has meant better distribution of stock on Indian ranges; the opening up, through urgently needed water development, of additional range; better forage through fencing and reseeding; fire protection truck trails, fire breaks, fire towers, and telephones; checking of erosion through check-dams; and the elimination of pests.

Since able-bodied Indians, irrespective of age, can be employed, the work has been widely spread. The average daily number of of employed enrollees during the year was 6,907. Employment had to be rotated at some agencies, so that approximately 9,500 participated in the program during the year. Although curtailment of the program meant a reduced personnel overhead, Indian preference in supervising and facilitating positions continued wherever possible. Four hundred and thirty-eight Indians held such positions during the year as against 344 whites.

TRAINING PROGRAM FOR ENROLLEES

During the past year, the C. C. C.-I. D. has emphasized instruction and welfare for its enrollees. The programs, which are carefully integrated with other Indian Service work, have varied according to local needs. Supervising employees have given generous voluntary support and time to the instruction program, which includes physical training and sports, individual counsel, placement work, training in personal health and hygiene, and training in various vocational and cultural subjects.

SAFETY PROGRAMS CUT ACCIDENT RATE

Our C. C. C.-I. D. death-from-injuries rate was cut almost in half during the past year—from 11 in 1937 to 6 in 1938. This may be laid, in part, at least, to the safety program, which has included weekly meetings, frequent inspection of projects, men, and equipment, and the sustained emphasis upon first-aid and aquatic safety instruction. Proper handling of automotive equipment, hand-tools, and explosives, has been insisted upon. All supervisory and facilitating personnel, as well as leaders, assistant leaders, truck drivers, and machine operators, are required to work for Red Cross standard first-aid certificates. Over half already hold these certificates and the others are working toward them. Some 25 percent of the enrollees have also passed the Red Cross examinations for certificates.

1938 Production Accomplishments

Civilian Conservation Corps—Indian Division

Telephone lines.....	miles.....	668
Fire breaks.....	do.....	95
Truck trails.....	do.....	733
Horse trails.....	do.....	237
Fences.....	do.....	860
Springs, small reservoirs, and well development.....	units.....	552
Impounding and large diversion dams.....	do.....	142
Insect and tree pest control.....	acres.....	66, 661
Erosion control check dams:		
Permanent.....	units.....	3, 003
Temporary.....	do.....	397
Vehicle bridges.....	do.....	56

INDIAN INCOME

Popular ideas concerning the economic condition of the Indians vary widely. Those who have come into contact with the few Oklahoma Indians who struck it rich in oil, fancy the Indian as an opulent nabob. Those who have seen some of the homeless Crees and Chippewas picking over the refuse in the alleys of some Minnesota town picture the Indian as a starving waif. As usual, the truth lies somewhere in between; though much nearer the lower extreme than the upper.

The average Indian family lives above, but not far above, the minimum of subsistence. Cases of wealth are few; instances of critical poverty are many.

During the past year an effort was made to obtain more reliable and comprehensive information concerning Indian economic life. Estimates of the aggregate income of Indians living on reservations for the calendar year 1937 were requested from agency superintendents. From a preliminary tabulation of the data contained in these income statements which were received from 52 agencies, representing 131 reservations and approximately 162,000 Indians, a sample was obtained sufficiently large and geographically so distributed as to give a fair cross-section of Indian income and wealth.

The average Indian family of four persons enjoyed an estimated income for the year 1937 of approximately \$600. This figure comprises earned income and unearned income. It includes nonmoney income, as well as money income.

Thus, the average Indian family belongs very definitely in the lower third of the American population, as divided by size of income. Of the 131 groups reported on, only 15 (some very small) showed estimated incomes of more than \$1,000 per family; only 4 were in that estimated tenth of the population receiving family incomes of \$2,500 or more; and only in 3 groups, the Five Civilized Tribes, Osages and Quapaws, was there a considerable number of families in that magic 2 percent of the citizenry receiving family incomes of \$5,000 or more a year.

Of the total income received by Indians, approximately two-thirds was individually earned by the Indians themselves. Relief, both work relief and direct relief, made up a dismayingly large percentage of the income of many groups.

A valuable test of Indian economic progress lies in the year-by-year measurement of income, particularly the income earned by Indians through their own efforts at self-support. The Indian Office plans, therefore, to continue collecting and interpreting income data and to expand the scope of its statistical inquiries into Indian economic life.

INDIAN REHABILITATION

Thanks to the continued provision of emergency funds, the Indian Service was able to go forward with its attack on one of the major problems of Indian welfare—the lack of housing which meets even minimum standards of health and comfort, and the lack, general throughout the Indian country, of physical facilities for the conduct of community enterprises.

Housing, or the lack of it, carries, among the Indian population, an economic as well as social implication. Without a decent dwelling, without essential auxiliary farm buildings, the Indian family cannot live on and use its one principal resource—the land. The result, an inevitable drift to the vicinity of the agency with its work relief, rations, and fuel; the gradual springing up, near the agency, of a pauper's village of tents and shacks.

Help was extended the Indians, early in 1936, by an allocation of Emergency Relief funds for the initiation of a program of Indian rehabilitation.

Concentrating on the construction and repair of houses, farm buildings, and community buildings, and the financing of self-help enterprises, this program has had a triple aim: To provide some of the neediest Indians with houses and necessary farm and community buildings; to restore the Indians to the land and to a self-sustaining level; and, with the achievement of these first goals, to relieve the Federal Government, by that much, of the burden of caring for helplessly destitute, hopelessly dependent Indian wards.

Early in the fiscal year of 1938, the sum of \$1,055,000 was made available to the Office of Indian Affairs for the continuation of this rehabilitation program. The new allocation was made from funds provided by the Emergency Relief Appropriation Act of 1937, by means of transfer from the Farm Security Administration.

In the operation of the rehabilitation program, Indians have shown themselves eager to use every chance for self-improvement. They have seen in this work an opportunity, through their own efforts, to make fuller use of their resources. For example:

A REVITALIZED INDIAN COMMUNITY

In 1936, when rehabilitation funds were made available to the Office of Indian Affairs, it was determined to establish a small community on the Rosebud Reservation in South Dakota for the purpose of providing homes and an opportunity for self-support for a limited number of young Indian families with children, for whom no land was otherwise available. The families selected had been living with their parents under crowded conditions in inadequate homes, and there seemed to be no other opportunity for them to establish themselves as separate family units.

The Grass Mountain community is situated on the Little White River. Some 600 acres of fertile land located on the river were available. Fourteen acres were devoted to irrigated gardening. A stand of timber furnishes the community with fuel. There are also from 250 to 350 acres of range land which, added to adjacent grazing land which may be rented, will permit the community to develop a livestock herd.

From its start in the early part of 1937, into and through the past year, the Grass Mountain community has made progress. The community has utilized the opportunities provided under the Reorganization Act by organizing under the name of the Grass Mountain Development Association; and has borrowed from the Revolving Credit Fund the sum of \$3,500. With this money it has purchased three teams of mares, wagons, hay-making machinery, chickens, and milk cows, and will later lease additional grazing land.

Under the rehabilitation program facilities were installed for 12 families, consisting of a house, poultry house, and toilet for each family; three community wells were drilled; a canning kitchen and root cellar were constructed. During the first year in which the community was in operation, foodstuffs produced in the irrigated gardens and preserved in the canning kitchen totaled 6,050 cans of various vegetables.

Delegations of Indians from various parts of the Rosebud Agency and from other agencies in adjoining States have visited the new community. So impressed have they been with the success of this group and the improvement in their morale and physical well-being that a number of them have applied for an opportunity to develop similar communities.

Indians at several jurisdictions, due to improvements installed under the rehabilitation program, have announced that they are now in a position to provide food supplies, and in some cases clothing, for their own aged and indigent members. At other agency jurisdictions, because of rehabilitation work done, the superintendents have advised the Washington office that no further rehabilitation work is required.

Rehabilitation work during 1938 was conducted at 28 agencies situated in 18 States. The projects undertaken with the funds allocated during the past fiscal year were reduced in number in an attempt to concentrate this necessary work at fewer agencies, in order that more substantial results might be accomplished. During this year, employment reports showed as many as 1,986 needy Indians at one time being given work in carrying out the program.

Rehabilitation Projects in Progress, 1938

Individual units:		Community improvements—	
Houses, new.....		Continued	
repaired.....	359	Root cellars.....	1
Water development.....	965	Shop buildings.....	4
Toilets.....	469	Implement sheds.....	6
Barns, new.....	573	Grist mill.....	1
repaired.....	78	Flour mill.....	1
Poultry houses.....	106	Self-help laundries.....	2
Hog houses.....	139	Combination slaughter and	
Cattle sheds.....	30	smoke house.....	1
Root cellars.....	50	Livestock pens and exhibit	
Gardens.....	140	hall.....	1
Fencing units.....	265	Stock watering units.....	2
Kitchen ranges.....	60	Dipping vats (6 new; 10 re-	
Community improvements:	28	paired).....	16
Self-help project buildings,		Buck herds purchased.....	3
new.....	30	Canning and sewing projects..	100
repaired.....	14	Arts and crafts projects.....	3
Equipment for self-help build-		Sawmills.....	4
ings, new.....	8	Storehouses and tanneries.....	2
repaired.....	21	Land improvement.....	30
Outbuildings (3 barns; 1		Gardens and hot beds.....	25
poultry).....	4	Agricultural equipment.....	17

ROADS FOR INDIAN NEEDS

Living upon reservations and, generally, in remote, sparsely populated sections, Indians have no need for the class A super-highways of our crowded cities. Indian Service roads thus are deliberately built to give the greatest number of usable miles per dollar while observing technical standards of safety, and economy in construction, and future maintenance.

For the last fiscal year the Congress appropriated \$3,000,000 for Indian roads. The money was used as follows:

Roads:

Improved.....	miles..	620. 25
Surfaced.....	do.....	476. 87
Maintained and repaired.....	do.....	5, 811. 43

Bridges:

Constructed.....	94
Repaired.....	357

Culverts:

Constructed and installed.....	1, 740
Maintained and repaired.....	1, 071
Total number of people employed on road work during year.....	7, 954
Total man-hours of work furnished during the year.....	3, 064, 977
Average earnings per hour.....	\$0. 46

Two factors are especially important in considering the Indian Service road program. One is that roads must specifically further the economic and social development of the reservation life and culture; Indians must be able to move reasonably freely from their homes to the day schools, hospital and health centers, marketing, and agency communities. Secondly, Indian roads must give a maximum amount of work to employable Indian people.

Since the Indian is not exempt from the payment of gasoline tax, which is the source of revenue of most of our roads, he is entitled to have his road needs fully considered and acted upon.

Superintendents of Indian reservations have conservatively estimated that during the next 5 years, 6,872 miles of construction and improvements are needed to help the Indian reasonably effectively utilize and develop his land and resources. If this program were realized it would call for an expenditure of approximately \$7,000,000 annually. Increasing amounts of the road appropriation must go each year to the maintenance and the preservation of roads already built since it is cheaper by far to maintain roads than to rebuild them.

As provided by law, the Bureau of Public Roads continues to approve the location, type, and design of Indian Service road construction and the relationship of this recognized road-building agency of the Government, with the Indian Service, has been very friendly and cooperative.

ARTS AND CRAFTS AS SOURCE OF INCOME

The vitality and integrity of Indian arts and crafts still persist. Evidence is the fact that many of the Indians' finest creations are still made for ceremonial and personal use. From the point of view of income to the Indian, however, Indian arts and crafts have suffered from several handicaps: limited markets, lack of standards, demand for low-priced, rather than quality goods; and lack of concerted effort to establish public interest in superior and authentic products. Primarily to increase income to the Indians from the sale of their arts and crafts products, the Indian Arts and Crafts Board was established 2 years ago, with a modest appropriation. Since the Board's inception, standards of genuineness and quality for various arts and crafts products have been put into effect and the search for new markets has been vigorously pushed.

It is the Board's policy in developing markets for Indian goods to stimulate, guide, and protect that work now being done by Indians

which satisfies the needs of the present market; further, to stimulate supplementary production of superior merchandise for the discriminating market. This course it is felt will establish a reputation of fine craftsmanship for Indian goods and will give the best artists an opportunity to exploit their abilities.

In furtherance of this policy, the Board is endeavoring to help the Indian producer and the trader to present Indian wares in an attractive manner, and to participate in various Indian exhibits featuring the use of Indian craft objects in modern settings.

Various specific projects have been initiated by the Board during the past year. These have included a system for the marking—to prove authenticity and quality—of Navajo, Hopi, and Pueblo silver, and of Navajo textiles; the development of a home spinning industry in eastern Oklahoma, with an organization of 75 spinners (all of whose output has been marketed); and the formation of arts and crafts groups on three South Dakota reservations, which have been developed with the aid of a Board staff member. Survey work looking toward improved production of Indian arts and crafts has been carried on in North Dakota; in Alaska—where superb crafts objects are still being made; and in eastern Cherokee, North Carolina, where the short-season tourist market for basketry, woodwork, and pottery needs expansion. In cooperation with private persons, an arts and crafts project is being developed at DeSmet, Idaho, and improvement in the quality of goods produced has already become evident.

EXHIBITS AND EXPOSITIONS

Exhibits and expositions offer a powerful instrument of public education in the beauty and usefulness of Indian arts and crafts products. Board staff members have spent considerable time in the gathering of vivid, authentic exhibits for three expositions which, at the close of the fiscal year, were still in the future: The Intertribal Ceremonial at Gallup, N. Mex., in August, where, for the first time, the importance of display in the sale of Indian goods was to be stressed, and the theme of the usefulness of Pueblo arts and crafts in the modern home was to be demonstrated; the American Indian Exposition in Tulsa, Okla., scheduled for October; and the Golden Gate International Exposition to be held in San Francisco in 1939. This last-mentioned exhibition will be of especial importance in furthering interest in the Indian cultural heritage and in Indian crafts.

The Indian Arts and Crafts Board does not wish to delude the public, the Indians, or itself into assuming that increased arts and crafts production is the answer to the Indians' economic problems. The number of Indians interested in, and capable of, superior arts and crafts work cannot be indefinitely expanded; and there is a limit also to the amount of the goods which the market can absorb. But this

much is certainly true: that the top limit has not nearly been reached; and in reaching it, a number of Indians can support themselves in crafts work, and a much larger number, especially of women, can augment their incomes from this source.

ENFORCING LAW AND ORDER

Upon Indian Service and the organized Indians falls the grave responsibility of law and order on Indian reservations and on Indian restricted land. Also primarily an Indian Service responsibility is the enforcement of statutes against the sale of intoxicating liquor to Indians.

Liquor and its control continues the major problem in the field of enforcement among the Indians. From Indian groups have come requests for a modification of the present statutory prohibition against the sale of alcoholic liquor to Indians. Noteworthy among these requests during the past fiscal year were those from the Klamath Tribe of Oregon and from the Flathead Indians of Montana. Bills were introduced in Congress to repeal the statutes which prohibit the sale and possession of liquor on Indian reservations insofar as they apply to and affect the reservations of these two tribes. The Indian Office and the Department gave pronouncement to a policy decision of major importance in sending to Congress a favorable report on the Klamath repeal bill. Recommending certain amendments designed to place the major responsibility upon the Indians themselves and to establish a system of control by permit and license, the report stated plainly a belief that the present prohibitory laws applying to Indians are quite unenforceable on many Indian reservations, which are mere islands within the surrounding white life. It was explained that on some of the closed reservations the Indian liquor laws may be enforceable, but that on others where Indian lands are scattered among white holdings and where Indian traditions and Indian blood have been diluted by contact with the whites, a vigorous public opinion, hostile to the liquor laws, has developed among the Indians and a resentment has grown up against what the Indians hold to be a discrimination against them and a stigma of inferiority. Neither the Klamath bill nor the Flathead bill made progress in Congress, but it is felt that a sign post has been set up pointing the way, it is to be hoped, toward a statutory formula which will bring about a realistic handling and an effective control of the liquor traffic among the Indian population.

The law and order problem is the combined one of education, of development of Indian responsibility, and of enforcement of the law. Indians in general are as law-abiding as their white neighbors. As has been pointed out, most of the serious crimes committed by Indians have intoxicating liquor as a contributing cause. No small part of

the Indian Service law enforcement problem lies in the failure of many whites to recognize the validity of the Indians' property and personal rights.

Except for the 10 major offenses of murder, manslaughter, rape, incest, assault with intent to kill, assault with a dangerous weapon, arson, burglary, robbery, and larceny, Indian law and order cases are tried in tribal courts by Indian judges. A number of tribes, by authority of the tribal constitutions adopted under the Indian Reorganization Act, or as one of their inherent powers, have written their own law and order codes. Until they have adopted their own codes, tribes are subject to the general law and order regulations of the Department. A tribe may substitute its own code, subject to departmental approval, for the general code. These codes are, in their own areas, the law of the land.

The division of authority between State areas and Indian areas has in some places, especially on reservations broken up by allotment, created problems of jurisdiction; these are gradually, however, being clarified. The Indian tribes of one State have definitely recommended that they and their reservations be made subject to the State criminal laws and the State courts.

The adoption of tribal law and order codes brings to the fore the problem of training Indian police officers and judges. In this problem, the Indians must have, and are receiving, help from the Indian Service. Continued effort, both by Indians and by the Service, is essential in obtaining capable and well-informed Indian personnel and successful handling of this phase of self-government.

Prevention of delinquency, so inevitably bound up with economic factors, is ever-present in our thinking, and needs more attention in Indian Service law-enforcement work. So meager are our funds for law enforcement work, however, that in general only the prosecution of violations, rather than their prevention, can be undertaken by the law-enforcement division. Preventive work is being done on a number of reservations in the schools and the agency forces.

Thirty special officers and deputy special officers were employed during the past fiscal year; others were deputed as special officers in connection with their own regular duties; there were 198 Indian policemen and 67 Indian judges. Fines were collected in the amount of more than \$31,000; 2,313 criminal cases were instituted by regular Indian Service officers, of which 90.34 percent resulted in convictions. A large proportion of these were not offenses by Indians, but by whites, against the property and personal rights of Indians. Cases involving the sale of intoxicating liquor by whites to Indians were, as usual, numerous. Several thousand gallons of intoxicating liquors were seized, and 7,000 pounds of marihuana.

INDIANS AND SOCIAL SECURITY

The Indian, like everybody else, grows old and helpless. The Indian, too, deserves at least a degree of economic security in his old age.

In even the short time it has been available, the public assistance of the Social Security Act has been an important help to the Indian. It has helped, first and fundamentally, in meeting the Indian's actual, and often acute, subsistence needs. Secondly, the collateral case work of State and county public welfare departments has helped the Indian to make many necessary adjustments.

There have been difficulties due to the status of Indian property as well as to the status of the Indian himself. Tax-exempt Indian land has created a problem in those communities where the public assistance programs are financed partly from county funds which, in turn, are based on property taxes. Several States have solved the problem by using State funds to pay both the State's and county's share of assistance to Indians.

A certain amount of delay in certifying eligible Indians to the program has been due to a confusion which Miss Sue M. White, attorney in the General Counsel's office of the Social Security Board, deplors as "an erroneous generalization that Indians already receive help from the Federal Government."

In her study, *Indians in Social Security*, Miss White traces this to "an honest misunderstanding of the extent to which the Indian Service has been enabled to grant direct relief from appropriations greatly inadequate for the purpose." She further points out that the administrative agents of Federal-State assistance are, in increasing numbers, beginning to look specifically at the facts in each case, rather than to accept "a mere general impression that all Indians are adequately provided for out of some special appropriation separate and apart from the general Social Security program."

The Indian's status as a ward of the Government is sometimes misinterpreted as grounds for ineligibility for benefits. The absence of individualism of Indian family life is another barrier to effective local administration of the program.

EXTENT OF PARTICIPATION

In spite of these difficulties, progress is being made.

At the present time, throughout the United States and Alaska Indians are participating in the public assistance program.

In a survey of October 15, 1937, the Superintendents of the Indian agencies reported that 6,451 Indians were being helped by Social Security. Today, the actual figures are considerably higher than these because, since the above computation was made, participation

has materially increased; and many Indians, not affiliated with any agency and, therefore, not included in the report, are receiving public assistance under the Social Security Act.

In certain of the States, Indian children are sharing extensively in specific State social services—maternal and child health, work for crippled children, child welfare, vocational rehabilitation—sponsored by the Children's Bureau, and the Office of Education, but administered (title V, Social Security Act) by the States.

In all this work the Indian Service personnel act as the liaison between the individual Indian who asks assistance and the county and State public welfare departments who administer assistance through the Social Security program.

The goal proper and possible, is that the Social Security Act shall operate as fully for the needy Indian citizen as for any other needy citizen.

INDIAN HEALTH

Through hospital and sanatorium service, nursing work, immunization programs, clinical work and health education, the Indian Service is working to better the Indians' health. In areas where other service is not available, which means most Indian areas, the Indian Service does this work itself. In a few areas where Indians live scattered among whites, the Indian Service has worked out cooperative arrangements with States and counties for health service.

The Indian Service during the past year maintained 79 general hospitals with 2,968 beds and 362 bassinets, and 14 sanatoria with 1,342 beds. A total of about 1,850 health workers were employed.

TUBERCULOSIS STILL GREATEST INDIAN SCOURGE

Tuberculosis continues to be the most dangerous enemy to Indian life. There are, however, heartening indications that a natural immunity is gradually developing among the Indian people. Reports from the Phipps Institute in Philadelphia, where many thousands of X-ray films are read and interpreted, apparently point to the fact that a number of cases of tuberculosis have resulted in natural cures without the patients' having known of their tuberculous condition.

An apparent increase of tuberculosis on certain reservations can be traced to the greater effectiveness of surveys. For example, a survey completed on the Pine Ridge Reservation where 17 percent of 3,700 Indians examined showed some type of chest lesion, resulted in the classification as tuberculous of 60 Indians who were subsequently sent to the new Sioux Sanatorium at Rapid City.

The tuberculosis vaccination program is making progress. The vaccinated and control groups are being followed up and illnesses are being checked. To date, 1,559 children have been vaccinated and an

equal number of controls are being watched. This work is now in progress at the following agencies: Pima, Ariz.; Wind River, Wyo.; Rosebud, S. Dak.; and Turtle Mountain, N. Dak.; and among the Alaskan natives near Juneau.

INDIAN SERVICE PIONEERING IN TRACHOMA RESEARCH

The eye disease, trachoma, prevalent among Indians, has been a major field of Indian Service medical research during the past fiscal year.

What is believed to be the actual cause of trachoma, a filterable virus, has been demonstrated as the result of cooperative work by the Indian Office and Columbia University at the Trachoma School on the Fort Apache Reservation, Arizona. The important findings were reported before the Ophthalmological Section of the American Medical Association at San Francisco in June 1938. The conclusion was presented that "trachoma is a virus disease and that its epithelial cell inclusions consist of masses of virus embodied in a matrix consisting largely of glycogen."

Startling reports were received from doctors working on the Rosebud Reservation of apparent cures or arrestments of trachoma obtained by the oral administration of sulfanilamide. The reports stimulated intensive study of this treatment. Results so far have been encouraging. Experiments on baboons at the Fort Apache Research Center have resulted in rapid improvement. Findings were presented in the form of a progress report before the American Medical Association at its June meeting.

The year showed continued improvements among the children at the Fort Apache Trachoma School. Similarly encouraging results were obtained at the Indian School at Chemawa, Oreg., where emphasis is being placed on the care of the trachomatous child.

CONTAGIOUS DISEASES FOUGHT

Immunization programs against contagious disease were carried forward. There were reported 754 cases of chicken pox, 865 cases of measles, and 261 cases of whooping cough. These totaled less than during the previous year. Cases of influenza were somewhat more numerous, approximately 14,168. In no instance, however, did influenza become a serious epidemic. The number of small-pox cases reported was 24.

The Navajo Reservation was visited by several diseases in epidemic proportions. During the fall and winter, 45 cases of typhoid developed, with 9 deaths. The probable source of the disease was ditch water which was found to be heavily contaminated. The bacteriological laboratory of the George Washington University in Washington,

D. C., aided materially in combatting the epidemic by examining cultures and laboratory specimens which were sent to Washington by airplane, packed in dry ice. Typhoid vaccine was liberally supplied by the Army Medical School, Washington, D. C., and 2,880 Indians were inoculated.

Rabies (hydrophobia) among dogs appeared on the Navajo Reservation in January. Four Indians and eight whites were bitten; 11 of these persons were known to have been bitten by rabid animals. All persons bitten received the Pasteur treatment and none has developed the disease. In all, 26 dogs were killed on the reservation and others in whom the disease was suspected were impounded as a precautionary measure.

COOPERATION WITH STATES STRENGTHENED

The advent of the Social Security Act entailed a revision of existing cooperative programs with State health departments. In Minnesota, for example, the Indian Office took advantage of the appointment of one or more public health nurses in Cook, Lake, St. Louis, and Carlton Counties who worked under the supervision of a full-time health officer and a full-time nursing supervisor. The Indian Office added to the State budget the sum of \$2,400 which had heretofore been used to maintain one Indian Office nurse who had attempted to serve the many Indians in this large area. In return for this contribution, the county nurses now render service to whites and Indians alike.

Another service financed entirely by the Indian Office has been the establishment of a district unit under the Five Civilized Tribes, Muskogee, Okla. An Indian Service nurse has been made nursing supervisor of this area. The plan calls for a county nurse to be placed in each of the counties involved. It is hoped to develop this area as a teaching field for field nurses new to the Indian Service.

Closer cooperation has also developed with existing Federal nursing services in program development. There has been an increase of Civil Service transfers to the Indian Service from other Federal agencies. This has made it possible to fill some of the existing vacancies in both hospital and field positions.

During the year five additional Indian Service physicians were appointed, with the approval of the Secretary, as Deputy State Health Officers, bringing the Indian Office into very close relationship with State health organizations. The District Medical Directors are in constant contact and association with the State health authorities and have been of material assistance in bringing about these helpful cooperative relationships.

Cooperative relationships were continued with the Public Health Service and the De Lamar Institute of Public Health, Columbia

University, in the investigation of epidemic diarrheal disorders in the United Pueblos areas, where the infant death rate and morbidity rate for all ages, from dysentery, has been extremely high. It has been found that the Shiga bacillus is the agent chiefly responsible, although many persons have been found to be carriers of the amoeba histolytica. At public expense, during the winter insanitary privies were replaced by sanitary types. During the following summer, 1937, the total incidences of diarrheal disease were low and the carriers of infectious agents had declined. No such decline in incidence has taken place in areas in which only a portion of the population has been provided with sanitary arrangements for sewage disposal. It is the opinion of the investigators in this field that complete sanitation appears to provide effective protection and that partial sanitation is of little value. The results of these experiments, now that the diagnosis and treatment have been reported, should prove effective in the sanitation of Indian pueblos where this disease is prevalent.

ENGINEER CORPS AIDS IN SANITARY ENGINEERING PROBLEMS

The Engineer Corps of the Public Health Service continued to render outstanding service pertaining to sanitary engineering at the various field stations. In all, 71 agencies or institutions were visited and surveys made. Sixty-two conferences were held regarding sanitary conditions, 21 water treatment plans or reports were prepared, and 25 sewage treatment plans or reports prepared. In all, 49 Indian Service plans pertaining to sanitary engineering work were reviewed. This service has been of immeasurable help in the improvement of sanitary facilities at the various reservations.

DENTAL SERVICE

Dental treatment was given to 22,536 Indian patients by field dentists and to 4,779 patients by resident dentists; 48,708 treatments were given. Of special interest is the fact that the Navajo Tribal Council petitioned Congress to set aside \$5,000 of their tribal money for the development of a dental unit in the new hospital at Fort Defiance on the Navajo. This was done and the Indians expect to reimburse the tribal fund by the payment of dental fees.

NEW HOSPITALS OPENED

Three new hospitals were opened during the fiscal year: That at Warm Springs, Oreg., with 21 beds; the Sioux Sanatorium at Rapid City, with 112 beds; and the Navajo-Hopi Medical Center at Fort Defiance, Ariz., with 126 beds. The opening of the hospital at Fort Defiance was unusual in that representative Navajo medicine men participated, with healing chants, speeches, and offers of cooperation.

MEDICAL PERSONNEL

The medical personnel of the Indian Office at the close of the fiscal year included 10 administrative and supervisory physicians, a supervising dentist, 9 supervisory nurses, 159 whole-time and 96 part-time field physicians, a special expert in tuberculosis, 3 special physicians for tuberculosis, 12 special physicians for trachoma, 23 consultants, 15 whole-time and 11 part-time dentists, 111 field nurses, 441 hospital nurses, 16 nurses at large working with special physicians, 9 assistant medical technicians, and more than 900 other employees. These show an increase of about 200 over 1937, due in large part to the opening of new hospitals, with some additional employees to provide better service at existing facilities.

HEALTH WORK AMONG ALASKA NATIVES

The Indian Service is charged with the task of promoting health work among natives of Alaska. For this work, the Indian Service maintains a technical staff of 63 health workers, made up of a director, a dental supervisor, a supervisor of nurses, 10 full-time physicians, 6 part-time physicians, 30 field nurses, and 20 hospital nurses. In addition, there are subordinate hospital employees, most of whom are natives. The vast distances, the cold, and the poor economic conditions in many of the native villages complicate the problem.

The Service operates 7 hospitals in Alaska; and in addition makes use of 12 private hospitals on a contract basis. Two additional Government hospitals in Alaska also furnish hospitalization to natives, and two Indian Service hospitals in Washington accept Alaska natives as patients. Preliminary planning work has been completed on a new hospital at Bethel. Construction on the new hospital at Point Barrow is nearing completion; finishing materials are being sent up on the Indian Service steamer *North Star* during the summer, and the hospital will be completed by January 1, 1939.

Dental service is furnished under contract on a fee basis by 16 local dentists. Most of these men visit nearby native villages at intervals as well as provide dental service at their own offices. The dental supervisor does dental work in districts not reached by the contract dentists.

The survey of dental conditions and research work among Eskimos in the Kuskokwim River region carried on in past years by Dr. L. M. Waugh of Columbia University and the Indian Service was resumed during the closing months of 1938 by Dr. Donald Waugh. The dental supervisor has been taking an active part in this work.

FIGHTING TUBERCULOSIS IN ALASKA

Tuberculosis continues to ravage Alaskan natives, whose death rate from this disease is about 10 times that for the United States as a whole. Since the number of sanatorium beds available in Alaska, 32, is insufficient to make any real impression on the situation, increased efforts have been made to locate the open cases and to teach the natives the importance of segregation of those infected, and particularly the importance of protecting young children. Living conditions of natives make for tremendous difficulties in dealing with the disease; educational work, however, is gradually showing some results.

At the two vocational schools, Wrangel and Eklutna, the plan for retaining early cases for treatment at school, inaugurated at the close of last year, was continued with excellent results. A number of children were kept at school under treatment during the summer with the result that most of them were able to return to school work in the fall.

The Territorial Health Department again has carried on the tuberculin testing and X-ray survey work which has included natives. Of 1,009 natives X-rayed and examined, 134 were diagnosed as positive for tuberculosis.

The vaccination program was inaugurated in southeastern Alaska, with the cooperation of the local health personnel. A total of 497 children were vaccinated with the Calmette vaccine and 447 were classified as controls.

COMMUNICABLE DISEASES

Among other communicable diseases, the continued occurrence of epidemic meningitis in the lower Kuskokwim region was striking. Strenuous work by Indian Service personnel curbed the spread of the disease. As the constant recurrence of isolated cases seems to indicate the presence of carriers, plans were made and work launched in cooperation with the Territorial Health Department for a careful survey and laboratory investigation of this problem.

Whooping cough reached serious proportions in the Cook Inlet and Kodiak areas; mumps was widespread, but not severe. No diphtheria or smallpox was reported, satisfying evidence of the efficacy of the vaccination program against smallpox and the immunization of children against diphtheria. Venereal diseases have been common in the larger towns, and are being treated vigorously. There are few cases in the remainder of the Territory.

FIELD NURSING SERVICE

Field nursing work must vary in accordance with local conditions; in general, however, we try to conduct a broad public health and educational program in addition to giving medical relief. Midwife training has been given special attention, and first-aid instruction with teachers and help in school health programs has been stressed.

COOPERATION OF OTHER AGENCIES

The United States Coast Guard has rendered invaluable aid in this scattered field, in transportation, and in actual health treatment work, including surgery. The Territorial Health Department has continued its close cooperation with the Indian Service, and the two organizations are carefully coordinating their programs.

Immunizations Against Contagious Disease During Fiscal Year 1937

	<i>Number of persons immunized</i>
Smallpox.....	11, 498
Typhoid.....	10, 609
Diphtheria.....	8, 384
Rocky Mountain fever.....	1, 146
Tetanus.....	224

INDIAN EDUCATION IN 1938

It is the task of the Indian Service to build upon the Indians' past, and upon the whites'. Both backgrounds have given richly to the world in material development, in spiritual forces, in creative expression of the arts. How to draw on the rich store of the past so that the Indians' lives today may be more satisfying and significant is the challenge thrown down to Indian Education.

It is not enough that we try to make the Indian self-sufficient so that, perhaps in our time, he may be economically on a par with the rural white man. The Indian has brought into our civilized life a philosophy of his own; an often under-rated sensitiveness to life, to nature, and to human beings; and a whole set of values not—like so many white concepts—based upon concern over his present needs or fear for the future. If there exists anywhere on earth a group of human beings attuned to nature, the Indians are that group. Yet here they are completely surrounded and in every possible way dominated by a civilization relatively new and in many ways alien. The staff of Indian Education, therefore, must never lose sight of the fact that what we give to Indian children as their basic formal education is all that they will ever receive. The Indian Service sets the boundaries. They, and the community, take the consequences.

Indian School Population and Enrollment During the Fiscal Year 1938

Total number of Indian children reported.....	¹ 86,747
Indian children 6 to 18.....	86,913
Total number enrolled 6 to 18.....	65,166
Public.....	² 33,645
Federal day.....	13,797
Federal reservation boarding.....	4,769
Federal nonreservation boarding.....	5,412
Mission, private, and State day.....	2,039
Mission, private, and State boarding.....	4,936
Sanatoria.....	433
Special schools.....	³ 135
Definite information not available.....	² 8,457
Not enrolled in any school.....	² 10,290
Eligible for enrollment.....	² 9,087
Not eligible for enrollment.....	1,291
Under 6 years and over 18 in all schools.....	2,834

¹ An apparent decrease in the number of Indian children this year from last year is accounted for by the fact that reports for the Five Civilized Tribes Agency, Oklahoma, cover only children having one-fourth or more Indian blood.

² It is estimated that 10,000 of these children are enrolled in public schools away from the reservation, in addition to the number known to be in public schools, making an estimated total of 43,645 in public schools.

³ Including colleges and universities.

Translating this into concrete reality for 1938 the following statements of fact may convey the picture.

VOCATIONAL EDUCATION STRESSED

Profiting wherever possible from the best practices in white public and private education, the Indian Service is developing a diversified school program aimed at the specific needs of each region in which Indians live.

The actual adjustment of Indians to white civilization varies greatly in different areas. Nowhere is it complete. Thousands of Indians, for example, do not speak English. Among the Navajo, for instance, it is estimated that more than 90 percent neither speak nor understand English. This, itself, creates special educational problems.

Land use is another challenging problem. Until faced with the ravages of soil erosion, due largely to overgrazing, the Navajos were self-supporting and self-sufficient. They perpetuated their ancient culture with a minimum of adjustment to neighboring whites. Today, education is a powerful force in helping these people bring back their land to its former productivity. The alternative is slow starvation.

Assimilation has become a very real problem. In areas such as Minnesota, Washington, and California, where assimilation of Indians is proceeding rapidly, Indian children are taken care of in public schools. In recognition of the exemption of Indian lands from taxation, the

Federal Government pays the school districts for such services. During 1938 approximately \$1,045,000 was spent for Indian education in district schools and \$378,000 was paid to the States.

BOARDING SCHOOLS DECREASING

Indian boarding schools have decreased in number and day schools have greatly increased. Instead of breaking up Indian home life, the present policy is to preserve and strengthen home ties. In 10 years, the Indian day school population has risen from 4,532 to 14,087.

Vocational secondary education is provided for a steadily growing number of adolescent Indians. In the last 10 years the number of pupils enrolled in the tenth, eleventh, and twelfth grades has increased from 1,409 to 3,654.

By means of educational loans 546 Indian students were helped to go to colleges and vocational schools. By this means, more Indian young people are helped each year for positions of leadership in their own community.

Most of the Indian Service boarding school plants were either inherited from the Army, whose forts were often transformed into Indian schools, or were built in the 10 years from 1885 to 1895. The initial construction was often poor and the buildings unsuited to modern ideas of what constitutes a desirable structure for educational and group use. During the last 10 years a carefully planned reconstruction of the Indian school plants has been undertaken. Better dormitories have been developed. A cottage type of dormitory for smaller schools has been designed.

ADULT EDUCATION ADVANCES

Community programs have been an important part of the educational policy of the Indian Service for the last 10 years. A modern Indian day school contains, in addition to classrooms and living quarters for the staff, a kitchen for the preparation of a noon lunch and for cooking instructions for parents and children; a community room used by adults for a wide variety of purposes; a clinic for the use of the field nurse and traveling doctor; a laundry for community use in areas where domestic water is scarce; and shower baths and toilet facilities for use by pupils and adults.

In some instances adults who use the school facilities exceed in number the children in classrooms. Confidence in the schools on the part of the older Indians is on the increase. Improved practices in hygiene, in sanitation, and in soil conservation are being taught—and accepted by the Indians. Community discussions of tribal affairs, extension demonstrations, and similar activities are developing at a hopeful pace.

Vocational emphasis in education is increasing rapidly. For instance, the Oglala Community High School at Pine Ridge, S. Dak., is operating a beef herd of more than 800 head on a leased reserve of 30,000 acres. In Oklahoma, an 8,000-acre dry farm is being operated by the students of the Chilocco Agricultural School. These are but two of many instances of the way in which vocational education ties in with the actual life to which the student must return. Industrial shops training carpenters, auto mechanics, shoemakers, and similar artisans are scattered throughout the Indian country. Today the Indian Service operates 247 schools in the continental United States and 103 in Alaska. In all of these institutions the same practical objectives form a foundation.

The teaching staff in the Indian Service will stand comparison with that of any first-class American public school system. Gradually we are developing teaching materials fitted especially for Indian life. Since many Indian children live in areas remote from city life and possess citizenship relations to the State and national governments differing from those of white children, new and original material is needed. We hope within the coming year to publish the first of such materials.

This, then, is a picture of the actualities, the hopes, and the ideals which motivate the program of education for the Indian people.

REORGANIZATION AND SELF-GOVERNMENT ACTIVITIES

It is necessary to restate from time to time the historical processes underlying the administration of Indian affairs. It is necessary because repeatedly the question is raised as to why Indian lands should be tax-exempt, or why the United States should administer health, education, and other social services for the Indian population. In brief, why should the Indian be under guardianship?

WHY INDIANS' SPECIAL STATUS?

European colonizers and their descendants brought to America ideas of land ownership, morality, government, and religion which were meaningless to the native American. In time these ideas became dominant to the exclusion of Indian habits of thought. Since we were a humane Nation and were not bent on destroying the Indians, we assumed the responsibility of showing them how our ideas operated. We wanted them to learn our ways so that they could exist side by side with us. In other words, we instituted a system of Indian education which is with us today.

We took away from the Indian all but a tiny fraction of his wealth in land, water, and other resources, and even his food supply, insofar as that consisted of game and wild products; and by doing so we charged ourselves with the responsibility of keeping the Indian from

starvation. Furthermore, since the Indian's understanding of property differed from ours, it was obvious that he would not long retain the little property left him if he was not protected. That made it necessary to erect trust-barriers around him which would prevent predatory men from making off with the means by which the Indian was to be taught a new way of existing.

By placing trust-barriers around Indian property, we exempted his land from State and local taxation. In taking this action we were subjecting the Indian to possible discrimination on the part of the States which would have resulted in leaving him without health care, education, roads, or any of the services which a State renders its people. States and local communities cannot furnish services without revenue. Once again, then, it became necessary for the Federal Government to assume an obligation toward the Indian tribes whose property it was seeking to protect.

These are the factors which Congress and the courts have borne in mind when they have dealt with Indian questions. The historical process has been long and involved. A mass of rules and regulations has accumulated and is today operative in the Indian Service. It is not an inert mass, as so often is assumed. There are within it directional drives, the aim of which has always been to solve or to cure the fundamental dislocation of a people overwhelmed by a superior force.

We are now at work developing a policy which we believe to be broad enough and sound enough to achieve, if continued, the purpose for which the Indian Service has always worked—the Indian's adjustment to his new world and a termination of his "problem." That policy is based on two ideas—organization, and a fuller use of land. Out of organization will come greater participation in the management of property and domestic affairs; and out of land use, which contemplates the purchase of land for those now landless and credit to carry on operations, will come better living conditions. Fundamental to the program is a recognition of the right of Indian culture to survive and enrich the daily life of the individual and the group. Not humanitarianism alone, but a belief that human beings are at their best when they are left at peace in those matters of conscience which come closest to them, prompts this attitude.

Legislation was required to initiate the program, and in June 1934 the Indian Reorganization Act was written into the statute books. Four years have passed since then, with some notable results.

The Flathead Reservation: An Example

The Flathead Reservation in Montana, home of the Confederated Salish and Kootenai Tribes, was the first to be organized under a constitution and to be incorporated. It was a typical reservation of

the Northwest, where allotment had broken up an early start in stockraising, and later years had brought a gradual pauperization in resources and social stamina. Of the 1,250,000 acres belonging to the Indians in 1910 when allotments were made, no less than 750,000 of the best acres were lost within a period of 20 years. The stock business was smashed. One-half of the 1,400,000,000 feet of merchantable timber had been dissipated in unfruitful per capita payments. Drought and depression in late years left the 2,900 Indians exhausted and ambitionless.

The Reorganization Act saved to the reservation at one stroke a total of 192,425 acres of surplus land, land which had not been entered by homesteaders and which the Secretary of the Interior under the act was empowered to return to the tribe. This was not valuable land, but at the very least it will serve as a game refuge. The tribal council at Flathead is aware that land shortage is one of its most serious problems. The best agricultural acres have gone into white ownership and must be repurchased. The council is not willing to wait for the Government to purchase land with the funds made available by the Reorganization Act, but has already had introduced in Congress a bill which would permit the tribe to use for this purpose its own funds on deposit in the United States Treasury.

How successful Flathead has been in making use of the Reorganization Act is revealed in a single detail. Under its tribal constitution, the council has authority to meet its expenses out of available tribal funds. During the fiscal year 1938, acting under this constitutional authority, the tribal council submitted a budget calling for the expenditure of \$5,000 and requested the Secretary of the Interior to make available out of tribal funds the amount called for in the budget. The approval was given. At the end of the fiscal year a financial statement was rendered which shows that the tribal council spent a total of \$2,250.45; received as income during the year, \$7,134.21; and at the end of the fiscal period had a balance of \$4,883.76. It is almost universally believed that Indians are improvident with money and should not be called upon to handle money. This probably is one of the least excusable of the misconceptions which people have of the Indians.

Reading the minutes of the tribal council and of the credit committee which is administering the revolving loan fund of \$65,000, one is repeatedly struck by the good sense shown by council decisions and by the business-like manner in which the meetings are conducted. Flathead definitely is clearing a way out of its particular depression.

EIGHTY-TWO TRIBES ARE ORGANIZED

At the end of this fiscal year there were 82 tribes, with a population of 93,520 Indians, operating under constitutions and bylaws; and of these, 57 tribes, having a membership of 64,000 Indians, had

become incorporated under Federal charters. What this means can better be understood by explaining that these tribal constitutions contain specific grants of power, as follows: The right to negotiate with the Federal, State, and local governments, and to advise and to consult with the Interior Department on all activities which may affect the tribe; to approve or veto any sale, lease, or other disposition of tribal property which may be authorized or executed by the Secretary of the Interior or the Commissioner of Indian Affairs; to advise the Secretary of the Interior with regard to all appropriation estimates or Federal projects for the benefit of the tribe; to make assignments of tribal land to its members; to manage all economic affairs of the tribe, subject to the terms of a charter; to appropriate for public purposes any available tribal funds; to devise a system of taxation by which funds for tribal use may be obtained; to determine its own tribal membership; to protect and preserve wildlife and natural resources and to regulate the conduct of trade; to cultivate native arts and crafts and culture; to administer charity and to protect health and the general welfare of the tribe; to charter subordinate organizations for economic purposes; to regulate the domestic relations of its members; to regulate the procedure of its governing body. These are powers which the tribe may exercise without interference by any arm of the Federal Government.

Certain additional powers are subject to review or approval by the Secretary of the Interior, including the right to employ legal counsel, to exclude nonmembers from reservation lands, to govern the conduct of its own members and administer justice through a tribal court, to purchase for public purposes property under condemnation proceedings, and to regulate the inheritance of property other than individual allotments of land.

REVOLVING CREDIT FUND OPERATIONS

The Indian Reorganization Act, in recognition of the need of the Indians for credit, authorized the establishment of a revolving fund of \$10,000,000 for loans to Indian chartered corporations. The Oklahoma Indian Welfare Act extended the benefits of the revolving fund to Oklahoma Indians, and authorized an additional appropriation of \$2,000,000. The act of May 1, 1936, also extended the benefits of the revolving fund to Alaska. Of the amounts authorized, the following appropriations have been made:

	Total appropriation	Administrative expenses ¹
1939.....	\$400,000	\$120,500
1938.....	520,000	125,000
1937.....	980,000	65,000
1936.....	2,500,000	50,000
Total.....	4,400,000	360,500

¹ Amounts included in total appropriations.

Of the \$4,039,500 available for loans, the following advances and commitments to organized tribes all over the country had been made as of July 1: \$4,277,054.54 committed; \$1,861,605 advanced.

CHARTERED CORPORATIONS ACTIVE

Indian chartered corporations are proceeding wisely with their re-lending activities. Loans made to individual members have been principally for agricultural purposes. The main items purchased with the proceeds of loans have been livestock, machinery, and equipment. Although borrowers in some sections have had difficulty in making repayments due to drought conditions, on the whole the few repayments to the corporations which have so far fallen due have been made as scheduled. Loans are made to individuals only on the basis of sound plans; and unless climatic or other unforeseen factors interfere, repayments can usually be made from the proceeds of the financed enterprises.

A number of corporations are engaging in corporate enterprises, which are being conducted for the benefit of the members of the tribe as a whole.

THE NORTHERN CHEYENNES IN THE LIVESTOCK BUSINESS

The largest single undertaking is that of the Northern Cheyenne Tribe of the Tongue River Reservation, Mont., where a steer-feeding enterprise is being conducted. Grass is the biggest asset of this tribe, and livestock production is the only means of securing an income from this asset. The northern location of the reservation, and the scarcity of hay for winter feed, limit the number of cows and calves that can safely be carried on the range. Only about one-third of the range has been used by the Indians in the past, and the balance has been leased to white cattlemen.

Recognizing the desirability of utilizing its own assets to the utmost advantage, the corporation decided to enter upon a steer-feeding enterprise. Under the plan adopted, steers will be purchased each spring, run on the range two summers and one winter, and sold at the end of an 18-month period. Thus there will be twice as many steers on the range in the summer as in the winter. A total of 2,036 steers were purchased in the spring of 1937; they will be sold this fall. The steers were carried through the winter with a net loss of less than 2 percent. An additional 2,150 head were purchased this spring, and will be sold in the fall of 1939. It is planned to develop the enterprise so that within 10 years approximately 9,700 head will be carried on the range in the summer, and 4,800 head in the winter. Within 18 years, the corporation should be operating entirely with its own funds, since part of the profits are annually reinvested in the enterprise.

The Fort McDermitt, Nev.; Rocky Boy's, Mont.; and Fort Belknap, Mont., corporations, are all conducting corporate hay enterprises. Winter feed is also the limiting factor in the development of the livestock industry on these reservations. In recognition of this fact, the governing bodies of the corporations are attempting to meet the problem by raising and storing hay.

The Lac du Flambeau Indians are operating a tribal tourist cabin enterprise. The reservation is located in the heart of the tourist country of the Lakes States. At Jicarilla, N. Mex., the Indians are operating a tribal store.

Tribal corporations on the whole are taking a very business-like attitude toward credit in their consideration of applications. They seem fully to realize that credit offers an opportunity for the improvement of the economic status of their members, and that only by making sound loans which will be repaid can the purpose of the revolving fund be realized.

No loans have as yet been made in Alaska; one loan, for the operation of a salmon cannery, was under consideration at the close of the year.

CHARTER OPPORTUNITIES

The charter, as the term implies, is an instrument granting incorporation which permits a tribe to function as a business enterprise. Under its terms, which need not be repeated here, the tribes set forth the conditions under which they shall exercise their constitutional authority to manage their economic affairs.

One has only to review these powers to realize that immediate opportunities exist for a tribe to participate actively in the management of its resources and its domestic affairs. These opportunities entail responsibilities. The tribes must learn how to secure revenue, how to budget their funds, manage their land and other resources—in short, how to operate as a political entity and as a business venture. For a people who have had little experience in such matters, the task before them is formidable.

Striking as have been some of the achievements under the Indian Reorganization Act, its results are only at their commencement. In 50 years the current which would have destroyed Indian property and Indian culture had swollen to flood stage. It bore down and crushed all but those tribes which had escaped allotment. They alone—Menominee, Navajo, Duck Valley, the Pueblos, Papago, and a few others—stood like islands above the drowning waters. Floods cannot easily be checked or diverted; yet, we are attempting just that. The flood of 50 years of land losses is the problem we face.

The tribes themselves present problems of their own. Some are so poverty-stricken and so nearly dead in spirit that they only stand and

stare at our activity. Having no money on which to operate their government, the members of their governing bodies are likely to lose interest quickly or are carried off by jobs that pay them a living. The system of law and parliamentary procedure which the constitutions and charters contemplate in some cases is too much for a dispirited tribe to undertake. Organization field agents will continue to work with them and in time, we hope, will help them to find a way around their difficulties and will convey to them a sense of the opportunities which lie waiting for them. Follow-up work of this sort is vital to the whole program.

SOME IMPORTANT COOPERATIVE PROJECTS

Indian lands, and the use to which they are put, are never capable of being isolated. In a number of instances, Indian reservations constitute the predominant lands of critical watersheds. The comprehensive land-use programs of the Government need the participation of Indians, and have much to contribute to Indians.

Previous annual reports have recorded the development of cooperation between the Indian Service and other Federal agencies. The cooperation between the Soil Conservation Service and Indian Service in the Navajo, the Pueblo, and several other areas has gone forward successfully during the past year. The fact-finding and plan-making work of that division of Soil Conservation Service called Technical Cooperation, Bureau of Indian Affairs has been increasingly productive. The sheep genetics laboratory at Fort Wingate, N. Mex., a joint operation between the Indian Service and the Bureau of Animal Industry, continues its work. In the Rio Grande watershed, an Interdepartmental Rio Grande Board, whose creation was suggested by the Indian Service, now unites for common action three units of the Department of the Interior—the Indian Service, the Division of Grazing, and the Bureau of Reclamation, and four of the Department of Agriculture—the Soil Conservation Service, the Forest Service, the Farm Security Administration, and the Bureau of Agricultural Economics.

Seeking to develop programs of conservative land use among Indian tribes, the Indian Service and the cooperating agencies endeavor to subordinate technical programs viewed merely as such to Indian comprehension and the willing participation of Indians. Conserving Indian land is secondary to conserving Indian life; and using Indian land is secondary to using Indian native powers. In certain areas of Indian life, this policy has caused the land-use effort to move more slowly than would have been possible by the method of fiat. Even in these areas, the fable of the turtle and the hare will be illustrated if continuing patience and resourcefulness are supplied. In other areas,

of which the New Mexico Apache reservations and New Mexico Pueblos are prime examples, the way of working through and with the Indians has proved to be the swiftest way toward technical results both brilliant and lasting.

AREA PROJECTS

Second only in importance, in land-use programs, to the participation of the Indians themselves, is the participation of superintendents and their local staffs. And not only with respect to land-use programs, but equally with respect to health and school programs, and generally to the whole of Indian Service as realized within local areas, it is a matter of fixed policy that Indian jurisdictions, through joint action between the Indians, the local staffs, and the technical advisers from Washington, shall gradually forge out for themselves what are known as area projects, and that these area projects shall be the operating plans for the jurisdictions in question. To such area projects it becomes the business of the Washington office to accommodate its regulations and its overhead services. By this method, Indians gain confidence; the initiative and responsibility of the field personnel are increased; and stability of Indian policy, based upon realities local to the human areas of the Indians, is insured. Outstanding examples of the area project method, with its resultant establishment of a large degree of local autonomy within jurisdictions, are furnished by the Navajo and Pueblo administrations, the Five Civilized Tribes administration, and that of a number of organized tribes in diverse sections of the country.

Closely related to the policies and endeavors here set down are the rise of two interesting attempts by superintendents within large geographical areas to cooperate in the solution of their common problems. There has been formed a Southwestern Superintendents' Council, embracing all of the jurisdictions in New Mexico and Arizona, and a Northwestern Superintendents' Council, embracing all of the jurisdictions in Washington, Oregon, and Idaho. These councils, with approved constitutions and bylaws, with officers, and with meetings held at regular intervals, have brought to a focus many needs which, once defined, have been recognized as true needs with feasible solutions.

FINDING AND TESTING FUTURE ADMINISTRATORS

The Indian Service has moved swiftly from prescribed routines to experimental methods and local adaptations. The Indian Service administrator's task has become one of planning and leading; and it is a business operation of complexity and magnitude; it involves the manipulation of a considerable number of technical services, always with a view to their incorporation within local Indian life. Indian

administration calls for men and women with some creative endowment, much discipline, a capacity for suspended judgment joined with a capacity for taking action and for accepting the consequences of one's own initiative. It calls for an exceptional ability in dealing with superiors, with coordinate officers, and with subordinates. And finally, it calls for unusual endowments of efficient social and human nature; because an Indian Service which fails to enlist deeply the rank and file of the Indians, falls short in everything else, and enlistment must be of the heart as well as of the head.

Is it possible to identify in advance, through methods appropriate to the competitive civil service, those endowments, interests, psychological traits, personality characteristics, which give promise of a successful administrative career in Indian Service? Can past performance supply the evidences of such fitness or want of fitness in a candidate? How can the probationary period be so used as to reveal the presence or absence of essential traits, the having or not having of the power to overcome threatening weaknesses? What kind of pre-service or in-service training is needed, in order to meet this need which ultimately is the critical need in the Indian Service—the finding and developing of administrators?

In the main, the question must be asked not at the top administrative level, but at a level below the top one. The leading personnel problem of Indian Service is to find and equip subordinate or junior administrators, whose careers will be commenced in the local jurisdictions among the Indians.

ROCKEFELLER FOUNDATION GIVES GRANT FOR PERSONNEL EXPERIMENTATION

To try to find answers to the questions above set down, there has been established the Southwest Field Training School for Federal Service, administratively conducted under the Commissioner of Indian Affairs and the superintendent of the United Pueblos Agency. This activity is supported by a grant made by the Rockefeller Foundation through the Institute of Public Affairs, and the search for the men and women to be admitted to the experimental enterprise is a responsibility of the Institute of Public Affairs. Essential to the success of the experiment is the placement of the so-called field aides in positions of true responsibility, because in such situations alone can their vital abilities be finally tested. Essential, too, is the maintenance of performance records which shall supply an objective basis for competitive promotion; and the keeping and making of such records must not be confined to the members of the experimental institution, but should be extended to the regularly employed personnel as rapidly as knowledge is available and resources permit. A whole-time director of training, attached to the experiment at Albuquerque, not merely

works with and upon the so-called aides, but carries out job analyses within the United Pueblo and other jurisdictions, and it is his role to participate in the wider experimentation with records and with in-service training applied to the regularly employed personnel. The "aides" are not privileged persons in any sense of the word, but must meet, in qualifying for positions and in subsequent advancement, the tests of civil service and of the personnel system of the Interior Department and the Indian Office. The aides are given testing experiences also in other Federal services local to the experimental area.

Arising initially out of interest in the experiment above described, there has been created an Interdepartmental Committee on Problems of Personnel, made up of representatives of the Civil Service Commission and the Departments of Agriculture and Interior. This committee, whose functions are not administrative but advisory, and in the nature of research, deals with questions of personnel common to the agencies which make it up, and especially with those questions which lie upon that borderline where the Civil Service Commission and the executive organizations have their problems in common.

PERSONNEL ADMINISTRATION

The personnel work of the Indian Service continues to be one of the important elements upon which the success or failure of the carrying out of an Indian policy depends. Previous annual reports have referred to the extreme diversity in the types of personnel needed to carry out Indian administration.

The recruitment and training of persons for assignments to administrative posts continues to be of paramount importance. The drafting of civil service examinations designed to procure eligibles who are qualified to perform the various tasks required of them and who can make the necessary social adjustments to conditions under which persons at the various Indian Service field stations must live and work, has progressed with reasonable rapidity. Much work must still be done in this field, to insure a steady improvement in the quality of the service to be rendered by Indian Service personnel.

During the past year, the central personnel record system in the Indian Office has been completely overhauled and a modern visible system installed. Procedures in the handling of personnel work have been analyzed, and changes made which it is hoped will ultimately insure a more expeditious handling of personnel matters.

The method of evaluating quarters and other facilities furnished to employees of the Indian Service was very carefully analyzed, and a procedure guaranteeing a more equitable means of arriving at charges for such services has been worked out and placed into effect at approximately one-fourth of the field stations. It is hoped to complete this work within the year ahead. In service training schools, starting

in the Southwest, for the development of future administrators, are discussed elsewhere in this report.

On July 1, 1937, the beginning of the fiscal year, there were authorized in the Indian Field Service and Alaska 6,933 positions, carrying salaries in the amount of \$11,106,562. These figures include only permanent, year-round positions.

EMPLOYMENT OF INDIANS

From time to time, estimates have been made of Indians employed in the Indian Service but accurate statistics on this subject have not heretofore been available. As the result of a survey, in the course of which all Indians in the Indian Service were requested to fill out a questionnaire relating to their employment, it was found that as of April 30, 1938, there were 3,916 Indians employed in the Indian Service, of whom 3,627 were in regular, year-round positions. In other words, approximately one-half of the regular employees of the Indian Service are Indians. Slightly over 40 percent of the Indians employed proved to be full-bloods, and slightly more than 70 percent were of one-half or more degree Indian blood.

The Indian Service continued during the year to maintain a number of employment offices devoted to the aiding of Indians in securing employment. Some 4,000 Indians were placed in positions outside of the Indian Service as the result of the efforts of our employment service units. Of the 4,000 Indians placed in private employment during the year, some 2,500 went into permanent assignments. The demand for Indians for employment as household workers exceeds the available supply, and placements in this field have remained constant. There is also a continuing demand for technically trained and skilled Indian workers.

During the past year it was deemed advisable to discontinue the employment office at Gallup, and to establish an employment unit at Billings, Mont. Heretofore, no direct employment service for Indians has been available in the northern Great Plains area.

GOVERNMENT CONSTRUCTION

A total appropriation of \$2,047,500 was made available to the Indian Service for the construction and repair of buildings and utilities during the fiscal year 1938. A large part of the appropriation was used for making necessary repairs and improvements to water and sewer systems in the Northwest. The largest single item was for the construction of a hospital plant, including quarters for employees, at Crownpoint, N. Mex., on the Navajo Reservation.

During the fiscal year 1938, numerous projects financed from the Public Works appropriation were completed. Most important of these projects were the sanatorium and general hospital at Talihina,

Okla.; a hospital and laboratory at Fort Defiance, Ariz.; and the construction of units for the hospitalization of Indians at the Weimar and Wishiah sanatoriums in California.

For the fiscal year 1939, an appropriation of \$2,061,000 was made available in the regular act, and in addition the sum of \$5,313,000 has been allocated from the appropriation for the construction of public works.

Field construction offices are maintained at Albuquerque, N. Mex.; Billings, Mont.; and Muskogee, Okla.

INDIAN POPULATION

The statistics of the Indian population in the United States tell a significant story. Reports submitted by Indian Agencies under supervision of the Office of Indian Affairs show that while this vital race of people has more than held its own in numbers, it is gradually losing its racial identity and slowly but surely is blending with the surrounding population.

During the past 8 years, the number of Indians on current census rolls at Federal agencies has increased at the rate of approximately 1.2 percent per year. This compares with an average annual increase for the population at large, as estimated by the Bureau of the Census, of only 0.7 percent over the past 7 years.

But while the enrolled Indian population is on the increase, the number of full-blood Indians is decreasing in proportion to the total Indian population. In 1930, 64.5 percent of the Indians on census rolls were full-bloods. In 1937, the figures show that the percentage had dropped to 60.5. In other words, if the present trend continues, the day will come—except perhaps on certain reservations in the Southwest—when there will be few full-blood American Indians left.

The total Indian population under the jurisdiction of the Office of Indian Affairs, as of January 1, 1938, was 342,497. As of January 1, 1937, the number was 337,366, denoting an increase of 5,131. In addition to this Indian population, the Indian Office had under its jurisdiction the education and medical relief of approximately 30,000 natives of Alaska—a total responsibility, therefore, for the welfare of more than a third of a million Indians and Eskimo citizens.

Of the Indian population in continental United States, 96,723 Indians, or 28.2 percent, are in Oklahoma. Arizona follows with 46,255 Indians, or 13.5 percent; and then New Mexico with 36,078 Indians, or 10.5 percent. Thus, 179,056 Indians, or more than one-half (52.2 percent) of the total Indian population of the continental United States are found in these three States. (See Table Q.) Next in rank after these three States, in the number of Indians, are South Dakota, with 28,030, or 8.2 percent; and California, with 23,637, or 6.9 percent. If the number of Indians enrolled in the five States

of Montana (16,341, or 4.8 percent), Minnesota (15,906, or 4.7 percent), Washington (13,741, or 4.0 percent), Wisconsin (12,467, or 3.7 percent), and North Dakota (11,208, or 3.3 percent) are added, it will be seen that nearly 88 percent of all Indians in the continental United States are to be found in 10 States. The remainder of the Indian population is widely scattered with less than 2 percent of the aggregate number in any one State.

FULL-BLOOD RATIO DECLINING

It is only within recent years that statistics have been gathered which approach reliability concerning the blood quantum among Indians. As is to be expected, it is found that among many tribes, particularly in the Great Lakes and the Great Plains areas, where contact with the whites was comparatively early, the number of full-bloods has been relatively low for some time. And it is in these areas, of course, that the decrease in the number of full-bloods is most marked.

Considering the Indian population at large, a comparison of the degree of blood of Indians on census rolls at Federal jurisdictions for the years 1930 (April 1) and 1937 (January 1) reveals a downward trend in the ratio of full-blood to mixed-blood Indians of slightly more than one-half of 1 percent per annum. As was noted above, the greatest relative decline was in areas where the ratio of full-blood to the total number of Indians was lowest. During the period from 1930 to 1937, the total Indian population on census rolls at Indian Office jurisdictions increased over 10 percent, representing an increase among Indians of mixed blood of approximately 22 percent, and among Indians of full-blood of 3.5 percent.

The statistics gathered by the Indian Service are in general supported by the findings of the United States Bureau of the Census. According to the Census figures, during the 20-year period from 1910 to 1930 the percentage of full-blood to total Indian population declined in all states having a large Indian population. Census figures show that a full-blood ratio of 62 percent in 1910 dropped to 52 percent in 1930.

Indian Office data show that the Southwest is the last stronghold of the full-blood. Although New Mexico and Arizona contained only about one-third of the total Indian population on current census rolls at jurisdictions in both 1930 and 1937, more than one-half of the full-blood Indians in both these years were in these two southwestern States. In 1930, of the total enrolled Indian population in Arizona and New Mexico, 98.4 percent were full-bloods, while in 1937, full-bloods constituted 97.6 percent of the total number. The principal tribes in these two States are the Navajo, Pueblo, Papago, Hopi, Pima and Apache.

CHIPPEWAS' RAPID ASSIMILATION

In contrast to the situation in the Southwest, the lowest ratio of full-bloods to total population is found in Minnesota among the Chippewas, the largest of the Algonquian tribes, of whom only some 15 percent are full-bloods. Illustrating the rapid decline of the full-blood population in the predominantly mixed-blood areas, if Indians enrolled in the States of New Mexico and Arizona are excluded, it will be seen that the percentage of full-blood to the total Indian population would have declined from 46.4 percent in 1930 to 41.7 percent in 1937, a drop of 4.7 percent during the 7 years.

A mixed-blood Indian may marry anyone; any resultant progeny will be mixed-bloods. For the full-blood, if the offspring are to maintain the tradition of racial purity, the choice of a spouse is confined to full-blood groups. It is obvious that the full-blood group can increase relatively only as a result of a higher birth rate or a lower death rate, or both, than prevail among Indians of mixed-blood.

INDIANS OF ALASKA

Education and medical supervision over the natives of Alaska was transferred to the Office of Indian Affairs on March 16, 1931. Of Alaska's total population of 59,278, according to the last census enumeration of the United States Bureau of the Census taken as of October 1, 1929, 29,983, or 50.6 percent, were recorded as Indians. Of this number, 19,028 were Eskimauan, leaving 10,955 of other linguistic stocks.

ERROR MARGIN CONSIDERABLE

Despite recent improvements in census taking, reporting, and recording, vital statistics with regard to the Indian population still contain admittedly a considerable margin of error. The vast extent of the larger Indian reservations and the scattered and isolated pattern of life of many of the Indian tribes make the gathering of population data an extremely difficult task. For example, it has been possible to gather accurate data concerning the rate of increase of the Indian population for only an approximate two-thirds of the total number of Indians in the United States. It is believed, however, that the Indian groups covered are sufficiently representative to serve as an indicator of the currently normal growth in the Indian population.

It should be noted that the data in the following table showing Indian population by States, refer to the enrollment at jurisdictions within each State, and not to the number of Indians actually residing there. It is believed, nevertheless, that the Indian population of the several States differs by an extremely small margin from the figures presented in the table, since approximately 85 percent of all Indians

live within the jurisdictions where they are enrolled, and a great number of the remainder have not gone beyond the borders of their States.

A check on the accuracy of the figures compiled by the Indian Service is supplied by data from the decennial census of 1930. The census figures correspond quite closely to the figures of the Indian Service, so far as the ratio of Indian population in each State to the total Indian population is concerned, though the census enumeration of 1930, with regard to Indians dwelling in Oklahoma, Arizona, and New Mexico, shows some departure from the findings of the Indian Service reports. The census figures for 1930 showed only 49.8 percent of the Indians residing in these three States. It is probable that the census percentage is lower than the one shown by Indian Office data chiefly because Indians residing in various eastern States, of which the Indian Office has no record, were included in the census enumeration. Another reason for the higher Indian Office figures for these States is that there has been a slight tendency during the past 8 years for Indians to return to reservations.

Indian Population in Continental United States Under Jurisdiction of the Office of Indian Affairs, by State, Jan. 1, 1938

State	Number	Percent of total	State	Number	Percent of total
Total reported-----	342, 497	100.0	Nebraska-----	4, 619	1.3
Arizona-----	46, 255	13.5	Nevada-----	5, 370	1.6
California-----	123, 637	6.9	New Mexico-----	36, 078	10.5
Colorado-----	856	.2	New York-----	6, 610	1.9
Florida-----	562	.2	North Carolina-----	3, 391	1.0
Idaho-----	4, 196	1.2	North Dakota-----	11, 208	3.3
Iowa-----	460	.1	Oklahoma-----	96, 723	28.2
Kansas-----	2, 047	.6	Oregon-----	4, 741	1.4
Louisiana-----	70	(²)	South Dakota-----	28, 030	8.2
Michigan-----	2, 404	.7	Texas-----	7, 326	.1
Minnesota-----	15, 906	4.7	Utah-----	2, 184	.6
Mississippi-----	1, 947	.6	Washington-----	13, 741	4.0
Montana-----	16, 341	4.8	Wisconsin-----	12, 467	3.7
			Wyoming-----	2, 328	.7

¹ Includes 8,802 on jurisdiction census rolls, and an additional 14,835 on a special roll made pursuant to the Court of Claims Act of May 18, 1928.

² Estimated figures for the Chetimaha Tribe under Choctaw Agency, Miss.

³ Less than $\frac{1}{10}$ of 1 percent.

⁴ Includes 1,828 Indians organized under the Reorganization Act of June 18, 1934.

⁵ 1937 estimate.

⁶ Includes 24,097 on census rolls and 72,626 members of the Five Civilized Tribes as reported by the U. S. Bureau of the Census, 1930.

⁷ Members of the Alabama and Coushatta Tribes under the jurisdiction of the Kiowa Agency, Okla.

⁸ Includes an estimate of 500 members of the Cowlitz Tribe, Taholah Agency.

⁹ Includes 221 Rice Lake Band Chippewa (special census, July 1930) and 600 Stockbridge Indians, organized under the Reorganization Act of June 18, 1934.

NOTE.—Data are by State of jurisdiction where Indian is enrolled except Louisiana and Texas.

WHERE INDIAN SERVICE, OR THE GOVERNMENT'S EFFORT AS A WHOLE, STILL FALLS SHORT IN MEETING INDIAN NEED

1. The Allotted Land Situation

Touched upon in successive annual reports, this situation remains uncorrected and therefore gets worse each year. More allotted land passes into the heirship status, and the heirship allotments become

more hopelessly subdivided; administrative costs rise higher while allotted land yield grows smaller. Through allotment subdivision, there passes out of effective Indian use (or, indeed, effective use by white lessees) more land each year than can be added through new purchases with Treasury or tribal funds.

The methods, administrative and legislative, through which the allotted land situation can be alleviated, even cured, are known in detail. The year ahead will witness a concentrated effort to make decisive progress, administrative and legislative, toward solving the allotted land problem.

2. Indian Liquor Law Enforcement Imperfect

In Alaska, as yet, there is no liquor enforcement for the benefit of Indians. There is no legislative basis for such enforcement. In the United States, appropriations remain indefinitely inadequate if the effort at enforcement is to be continued throughout the Indian country.

3. Indian Appropriations Still Are Frozen

Only negligible progress has been made in lifting from the Indian appropriation bill the dead hand of past decades. Hundreds of frozen appropriation items still make difficult the efficient and economical use of Indian Service moneys. Things less important are done, things more important are left undone, under the compulsion of the system of frozen appropriations.

4. Uncertainty as to Who Are Indians

Due to treaty clauses, statutes, and appropriation bill clauses, it has come about in some areas that individuals with no more than a trace of Indian blood claim the advantages of Federal gratuity expenditure and are, in many cases, restricted wards of the Government.

Legislation limiting the use of gratuity funds to Indians of some specified degree of blood, preferably not too minute a degree, would assist in the adequate serving of those Indians who unequivocally are such, while at the same time diminishing the stress upon Federal appropriations.

5. The Unjust, Uneconomical System of Handling Indian Tribal Claims Against the Government Continues Unregenerate

In 1929, the Commissioner of Indian Affairs estimated that a century must pass before Indian tribal claims could be finally adjudicated. A century must yet pass; nor, under the system of hit-and-miss Indian jurisdictional bills, still prevailing, will equitable adjudication even then be attained. Legislation such as the Indian Claims Bill of 1936, defeated in Congress, is still the indicated remedy.

Indian Service Appropriations

APPROPRIATIONS FROM UNITED STATES TREASURY FOR FISCAL YEARS (INCLUDING DEFICIENCIES)

Object	1932	1933	1934	1935	1936	1937	1938	1939
General purposes.....	\$2,587,285.73	\$1,840,054.35	\$1,593,500.00	\$1,806,894	\$2,780,880	\$3,343,401.05	\$3,150,441.85	\$2,830,392.63
Industrial assistance.....	1,605,000.00	1,301,000.00	1,233,881.67	1,060,510	3,740,490	2,288,470.00	1,932,500.00	1,931,000.00
Irrigation and water development.....	1,497,601.00	9,457,824.00	509,614.00	450,665	1,321,632	1,140,664.00	1,203,998.00	1,317,196.00
Education.....	10,185,400.00	9,771,000.00	9,103,230.00	7,990,565	8,795,120	9,395,375.00	10,048,525.00	10,253,100.00
Conservation of health.....	3,658,400.00	3,508,800.00	3,281,800.00	3,264,595	3,849,620	4,422,360.00	4,965,690.00	5,432,000.00
Support of Indians.....	2,216,300.00	2,156,300.00	2,141,900.00	2,141,815	2,279,350	2,425,000.00	2,770,100.00	2,760,500.00
Miscellaneous (roads, annuities, etc.).....	40,020.00	31,020.00	31,020.00	42,020	771,020	736,020.00	761,020.00	1,019,971.80
Subtotal.....	20,789,606.73	19,065,998.35	17,984,945.67	16,757,064	23,538,132	23,760,200.05	24,922,274.85	25,544,250.43
Construction (general).....	5,570,440.00	1,654,100.00	711,600.00	400,000	3,981,000	780,900.00	4,231,775.00	4,975,712.00
Roads and bridges.....	5,670,000.00	1,420,000.00	270,000.00	2,000,000	4,000,000	3,500,000.00	3,000,000.00	3,000,000.00
Total.....	27,030,046.73	22,140,098.35	18,966,545.67	19,157,064	28,519,132	28,041,190.05	32,214,049.85	33,519,962.43

SPECIFIC APPROPRIATIONS FROM TRIBAL FUNDS SUPPLEMENTING TREASURY APPROPRIATIONS

General purposes.....	\$332,913.98	\$126,300.00	\$390,501.00	\$100,000	\$9,153	\$20,000.00	\$159,815.00	\$224,024.21
Industrial assistance.....	180,352.21	45,000.00	188,000.00	52,000	151,000	381,000.00	91,600.00	231,000.00
Irrigation and water development.....	49,300.00	59,000.00	46,950.00	6,720	6,500	7,000.00	5,000.00	205,000.00
Education.....	910,000.00	803,000.00	708,600.00	599,550	339,580	332,820.00	314,995.00	314,995.00
Conservation of health.....	125,000.00	125,000.00	131,500.00	121,490	162,000	80,000.00	-----	5,000.00
Support of Indians.....	1,767,100.00	1,032,380.00	789,100.00	564,155	781,700	798,400.00	788,180.00	859,590.00
Miscellaneous (roads, annuities, etc.).....	50,000.00	25,000.00	25,000.00	-----	-----	105,000.00	105,000.00	11,500.00
Total.....	3,415,046.19	2,215,680.00	2,279,701.00	1,426,915	1,499,933	1,694,220.00	1,464,590.00	1,851,109.21
Grand total.....	30,445,092.92	24,355,778.35	21,246,246.67	20,583,979	30,019,065	29,735,410.05	33,678,639.85	35,371,071.64

